



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

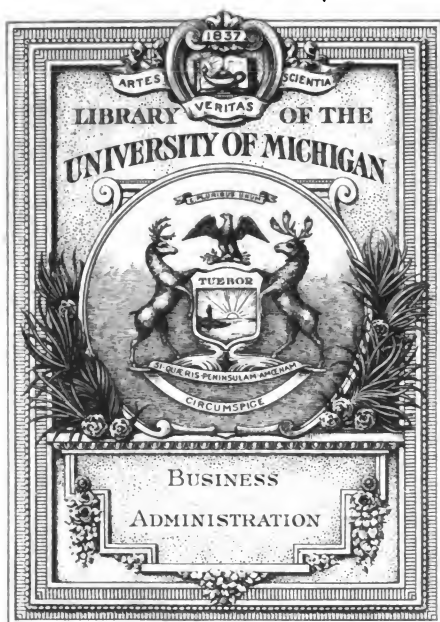
We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

HOW TO RETAIL
RADIO



HF
5430
.R13
H8

HOW TO RETAIL RADIO

Mc Graw-Hill Book Co. Inc

PUBLISHERS OF BOOKS FOR

Coal Age ▾ Electric Railway Journal
Electrical World ▾ Engineering News-Record
American Machinist ▾ The Contractor
Engineering & Mining Journal ▾ Power
Metallurgical & Chemical Engineering
Electrical Merchandising





Frontispiece

Selling of radio goods goes on unhampered and profitably in this store because the clerk's time is not taken up by amateurs who seek answers to technical questions and "hook-up" problems. The radio clubroom at the rear of the sales counter is reserved for round-table discussions and blackboard demonstrations. Amateurs buy—going out or coming in.

HOW TO RETAIL RADIO

**Tested Plans and Methods and Policies for the Dealer in Radio—
Financing—Location—Store Equipment and Arrangement—
Buying Radio—Getting Customers—Advertising—Dis-
playing Goods in Window and Store—Training Sales-
men—Demonstrations—Installation and Servicing—
“Hook-ups”—Speeding Up Sales—Clubroom
for Amateurs—Business Records—Over-
head—Selling Price—Turnover.**

**By the Editors of
ELECTRICAL MERCHANDISING**

FIRST EDITION

McGRAW-HILL BOOK COMPANY, Inc.

NEW YORK: 370 SEVENTH AVENUE

LONDON: 6 & 8 BOUVERIE ST., E. C. 4

1922

**COPYRIGHT, 1922, BY THE
MCGRAW-HILL BOOK COMPANY, INC.**



"We are indeed to-day upon the threshold of a new means of widespread communication of intelligence that has the most profound importance from the point of view of public education and public welfare. The comparative cheapness with which receiving stations can be installed, and the fact that the genius of the American boy is equal to construction of such stations within the limits of his own savings, bid fair to make the possession of receiving sets almost universal in the American home.

"The wireless telephone has one definite field, and that is for spread of certain pre-determined material of public interest from central broadcasting stations. This material must be limited to news, to education, to entertainment, and the communication of such commercial matters as are of importance to large groups of the community at the same time.

"It is therefore primarily a question of broadcasting, and it becomes of primary public interest to say who is to do the broadcasting, under what circumstances, and with what type of material. It is inconceivable that we should allow so great a responsibility for service, for news, for entertainment, for education, and for vital commercial purposes, to be drowned in advertising chatter, or for commercial purposes that can be quite well served by our other means of communication."

HERBERT HOOVER.

Bus. Adm.
Wakv
9-13-28
17777

AUTHORITIES AND SOURCES

"How to Retail Radio," was written and edited under the direction of O. H. Caldwell, editor of Electrical Merchandising, and Stanley A. Dennis, associate editor of Electrical Merchandising.

Chapter I, "What Successful Radio Retailing Requires"; Chapter II, "Working Policies That Pay"; Chapter IV, "Choosing a Radio Store Location"; Chapter XVI, "Good Business Records Make for Profits"; and Chapter XVII, "Overhead and Profit and Turnover," were written by Stanley A. Dennis.

Chapter III, "Financing the Radio Department," was written by C. W. Muench.

Chapter V, "Store Equipment and Its Arrangement," was written by Frank Farrington.

Chapter VI, "What Kind of Radio Stock and How Much," and Chapter XIII, "Hooking Up Radio Sets," were written by F. W. Christian.

Chapter VII, "Where to Look for Radio Customers," and (in part) Chapter X, "Training Salesmen to Sell Radio," were written by J. C. Milton.

A portion of Chapter X and a portion of Chapter XVII were written by J. S. Older.

Chapter VIII, "How Shall the Dealer Advertise Radio," was written by Roi B. Woolley.

Chapter IX, "Displaying Radio Goods in Window and Store," and Chapter XI, "How to Demonstrate a Radio Set" were written by Harry A. Mount.

Chapter XII, "Installation and Servicing," and Chapter XIV, "Speeding Up Radio Sales," were written by C. L. Funnell.

Chapter XV, "How a Clubroom for Amateurs Builds Sales," was written by Arthur H. Lynch.

CONTENTS

CHAPTER I

	PAGE
WHAT SUCCESSFUL RADIO RETAILING REQUIRES.....	1
Purposes and Policies and Plans—Putting Money into the Business—Choosing a Radio Store Location—Store Equipment and Layout—What Kind of Stock and How Much—Looking for Radio Customers—How to Advertise Radio—Displaying Radio Goods—Training Salesmen to Sell Radio—Demonstrating Radio—Installing and Servicing Radio—Hooking up Radio Sets—Speeding up Sales—Running a Clubroom—Keeping Books on the Business—Overhead and Profit and Turnover.	

CHAPTER II

WORKING POLICIES THAT MAKE PROFITS.....	13
Stand up for a Fair Profit—Maintain a Uniform Price for All—Enforce a Sound Credit Policy—Only Quality Goods Sold Here—Handle Complaints Gently—Avoid Substitution as far as Possible—Beware of Special Service—Advertised and Non-advertised Goods—Insist upon Unfailing Courtesy to Customers—Fair and Honest Competition—Go after Business Energetically.	

CHAPTER III

FINANCING THE RADIO DEPARTMENT.....	20
Where the Money Comes from—How Location of Broadcasting Station Influences Radio Stock Investment—How Much to Invest in the Radio Department—Make the Radio Department Show Individual Profits—Charge the Department with Proper Expenses—Back up Financing with an Aggressive Sales Policy.	

CHAPTER IV

CHOOSING A RADIO STORE LOCATION.....	29
Make a Careful Study of the Stores Market—Choosing Location in a Large City—How Location Affects the New Radio Department—Main Street or Side Street—Special Points on a Main Street Location—Which Side of the Street?—Second Story Stores	

	PAGE
—What about Competition?—The Frontage and the Entrance	
—Windows and Window Backgrounds—Steps and Posts—Ventilation, Heat and Light.	

CHAPTER V

STORE EQUIPMENT AND ITS ARRANGEMENT.....	45
Danger in Make-shift Equipment—Poorly Planned Store Loses Sales—Helping the Customer to Find What He Wants—How to Put a Balcony to Work—What to do with a Second Story Room—Arrangement in the Narrow Store—Where to Put the Wrapping Counter.	

CHAPTER VI

WHAT KIND OF RADIO STOCK AND HOW MUCH.....	58
What Makes a Well-balanced Stock?—Stock List for \$500 Investment—Stock List for \$1000 to \$2000 Investment—And a \$1500 Stock List—What Should the Jobber Buy?—Who Should Stock Only Assembled Sets?	

CHAPTER VII

WHERE TO LOOK FOR RADIO CUSTOMERS.....	67
Fire Stations, Police Department—Hospitals too—Boats and Clubs and Hotels—Churches, Libraries, Lodge Rooms, Factories, Dance Halls—In Small Town and Village—Why the Farmers Want Radio—Where the Market Will Grow.	

CHAPTER VIII

HOW SHALL THE DEALER ADVERTISE RADIO?.....	80
Stimulate the Buying Impulse—Back up the Advertising with Real Salesmanship in the Store—Study the Market with Care—Classify Your Prospects—Then Advertise to Each Class of Prospect—What to Talk about in Your Advertisements—"Stunts" in Advertising.	

CHAPTER IX

DISPLAYING RADIO GOODS IN WINDOW OR STORE.....	96
What a Poor Window Looked Like—What a Better Window Looked Like—Displays for the "Part" Buyer—Value in Window Display—Putting Home Atmosphere into the Window—Avoid Complexity in Display—Change Window and Store Displays Frequently—Put Maker's Name and Price on Window Cards—Why Counter and Table Displays Need Careful Attention.	

CHAPTER X

	PAGE
TRAINING THE STORE SALESMEN TO SELL RADIO.....	115
Learning the Fundamentals—Practice in Writing Advertising— How “ Fans ” and “ Nuts ” Educate Salesmen—Evening Classes for Sales People—General Rules for Training Salesmen—Must Know the Goods in Stock—Finding the Chest of Gold.	

CHAPTER XI

HOW TO DEMONSTRATE A RADIO SET.....	131
Getting at the Customer's Point of View—Selling that Protects the Customer—Wherein Radio Selling is Different—Demon- strate Results Obtainable in Home—Beware of Deception in Demonstration—Selling an Instruction Book with Every Set— Work Out a Sound Demonstration Policy—Provide Wiring Diagrams.	

CHAPTER XII

INSTALLATION AND SERVICING.....	144
Neat Wiring Adds to Attractiveness—Use Own Men for Instal- lation Work—or Use Established Electrical Contractor—Never do Work at a Loss—Getting at the Cost of Installation—What the Cost Seems to be—Service Starts before the Sale—Test Every Part before Selling It—Adjusting Service Complaints— Testing Parts for Customers—Servicing by Telephone—Making Service Calls at Residences. How to Test a Service Idea.	

CHAPTER XIII

HOOING UP RADIO SETS.....	158
The Best Kind of Aerial to Use—Circuit for Short Wave Regen- erative Outfit—Operation of the Sets Diagrammed.	

CHAPTER XIV

SPEEDING UP RADIO SALES.....	165
Taking a Radio Census of a Store's Territory—Spreading the Radio Idea with Portable Demonstration Set—Installation Service Starts Customers Right—Supplying Engraved Cards for Radio Parties—If There is a Movie Theater Next Door—Keep a Radio Bulletin Board in the Store—Getting Names of Radio Prospects in the Store—Lending Radio Sets to Merchants in Other Lines—Selling Radio Time Service to Jewellers—Mer- chandising Radio Market News Service to Farmers—Every	

	PAGE
Motor Boat Owner is a Radio Prospect—Baseball Returns by Radio Brings Crowds to the Store—Using Sending Set to Sell Radio Goods—Increasing Radio Business with a Clubroom.	
CHAPTER XV	
How a Clubroom for Amateurs Builds Sales.....	180
The Equipment of the Clubroom—How the Club Plan Works—Saving Time for the Salesman—Plenty of Opportunity for Clubs in Other Cities—How the Club Makes Radio Sales.	
CHAPTER XVI	
Good Business Records Make for Profits.....	189
Importance of Keeping Records—What the Business Record Will Do—How to Open the Books—How to Enter Transactions—Posting of Cash Entries—Balancing the Books—Closing the Books—Illustration of Use of System.	
CHAPTER XVII	
Overhead and Profit and Turnover.....	203
Importance of the Merchandising Equation—What Margin is and is Not—What Overhead Covers—Overhead Charges Defined—Cutting Down Overhead—Little Oversights that Eat up Profits—Not Charging Salary as an Expense—Failure of Stock Record to Show Goods Buried on Shelves—Describing Depreciation—Failure to Take Discounts—Unsystematic Bookkeeping—Unsystematic Deliveries—Disregarding Losses Sustained by Marked-downs—Forgetting Bad Accounts—Lack of Knowledge or Enthusiasm on the Part of Sales People—Loss of Customers—Eternal Vigilance is Necessary—How to Figure Profits—Importance of Turnover—How to Figure Turnover and Annual Profit—How Profits Grow Larger With Faster Turnover.	

HOW TO RETAIL RADIO

CHAPTER I

WHAT SUCCESSFUL RADIO RETAILING REQUIRES

THIS magic thing called radio has come to stay. Strange, invisible, mysterious, unbelievable magic, fraught with an unmeasured power to inform, to entertain, to educate, to enlighten, to add to human happiness, to bring millions within range of a single human voice, to give human leadership instant expression across continents and seas, this most marvelous means of communication ever devised by the trained cunning of the human mind now takes its place beside the chisel, the alphabet, the printing press, the typewriter, the dictagraph, the phonograph, the telegraph, and the telephone. No, not beside all these, but perhaps in front of all these. No matter what the future of broadcasting may be, mankind will never surrender its newly found power to speak and to hear by "wireless" across the mountains, over the waters, and through silences and dim distances of the night. For in any moment, radio's speed is greater and its reach is wider than that of any other means of communication.

Commercially, the detector, the vacuum tube, the variocoupler, the variometer, the antenna, the battery, the rheostat, the transformer, the amplifier, the insulator, the transmitter, the 'phones, the condenser, the rectifier, and all the other "parts" that make up the new ears of

humanity, and the "sets" themselves, now take their places in the stalls of business along with the camera, the victrola, the dictaphone, the typewriter, and all the other merchandise that makes for the transference of sound or sight or thought between men. The magic is on the market. Men know its power. They possess the means and ability to make, to sell, and to buy. The price tags are on radio.

Unfortunately, although radio is here to stay, not every radio dealer is here to stay. Perhaps that is not such an unfortunate condition after all. For in retailing, as in every other phase of human life, the law of the survival of the fittest holds good. Despite all the bricks that have been hurled at it, it is a good old law. It would be a dead and silent world, if the law did not stand. In the business world there would be no business, if the unfit survived and flourished as do the fit. In the world of radio buying and selling, the law is now working on its job twenty-four hours a day.

Strange as it may seem, one of the splendid and beneficent things about the law of the survival of the fittest has been overlooked almost as completely as if retailers and jobbers and manufacturers were going through their business careers with blinders strapped down on their eyes. That big, outstanding promise in the law of survival, magnificent as a rainbow against the sky, is the amazing fact that every man has the right to choose for himself whether he shall be one of the fit or one of the unfit.

Brought down to brass tacks, this forgotten incentive in the business world means that every radio dealer now in business, every radio dealer who is yet to come, and every radio enthusiast who hopes to become a dealer, possesses an inalienable right to choose for himself whether he shall survive or perish in the commercial life

of his day. The great law stands, but he who runs may choose its reward or punishment.

Since radio swept its conquering way into the world of business, butchers, dressmakers, grocers, hardware dealers, electricians, shoe dealers, millinery shops, department stores, dentists, drug stores, ice cream parlors, bootblacks, bankers, and newsboys have attempted to sell "parts" and "sets." The "craze," like Coxey's famous army, has drawn its followers from every bypath, cow-path and main traveled road, and, like Coxey's army, is leaving thousands stranded in the mud, lost in a mire of sticky liabilities and depleted assets.

Some of these retailers will survive. Radio, like youth, *will* be served. When the captains and kings of the radio bonanza depart, those radio retailers who possess merchandising vision and merchandising ability will still be doing business at the old stand, and they with the new radio retailers coming on, whether they be in electrical stores or hardware stores or music stores or department stores, who possess the knowledge and ability to survive, will be the radio profit-makers of to-morrow.

Just what it is, then, that does make for survival in the retailing of radio, that can be deliberately chosen by the radio dealer who decides to be commercially fit to survive, becomes a matter of very great importance. Just what does the successful retailing of radio require of the dealer? What are the practical everyday rough-and-tumble facts, ideas, methods, plans and policies that the radio dealer needs to know and put into action? Perhaps some of these things can be indicated in rapid-fire fashion.

Purpose and Policies and Plans

One of the causes for the high mortality among retailers of every kind and especially among retailers of

a new commodity is lack of definite purpose and policy and plan behind the selling effort. Just why does a retailer make up his mind to sell radio anyway? To grab a few dollars while the grabbing is good? To build a permanent business that will foot his bills year after next? To add another line to his established store? To win a new line of trade that will help move a certain slow-moving stock of another kind? A score of other reasons why a retailer may possibly take up radio could be asked. The big thing that makes for survival and success is that he should know, not guess, his real purpose. When this is done, policies for maintaining that purpose are the next essential. Then plans must be effected in order to achieve the desired purpose under the direction of the wisest policies. He survives who knows his purpose, establishes his policies, and carries out his plans. Therein lies the germ of successful retailing of any kind or character.

Putting Money into the Business

Retailing can not be done without money. Some radio dealers have tried it, and they have already "passed on" commercially. Attempting to retail "on a shoe-string" or on a country-cousin relationship with the jobber belongs to yesterday and not to-day. Too little money can be put into a radio store to assure anything except failure. Too much money can be lost in a radio store or department to let it live long. Just how much money to put behind a given radio retailing effort is still something of a question. Yet enough dealers have tried radio retailing to permit certain helpful facts on radio financing to come to the surface.

Choosing a Radio Store Location

When a man makes a mistake in choosing a wife, the case frequently gets into the divorce courts. When a

retailer makes a mistake in choosing a location for his store, he frequently gets into the bankruptcy courts. A good wife makes a man, and a good location can often make a successful retailer, whether he sells radio or bananas. There are ways to test locations, to avoid making a wrong choice, and to make sure that dollars shall be planted where they will bring forth a crop of more dollars than any other location. He who would survive in retailing radio must know how to test the dollar-growing soil.

Store Equipment and Layout

It is true that clothes do not make the man, but it is equally true the clothes have a lot to do with the making of the man. So while the money expended for store equipment may not make the store, just how this money is spent, what it buys and how the equipment is arranged in order to serve equally well the needs of the proprietor and his customers, makes for success or failure in radio.

What Kind of Stock and How Much

If radio goods could be put up into cartons like a popular brand of biscuit or sugarcoated popcorn, what an easy thing it would be for the prospective radio dealer to buy a \$100 or \$500, or \$5,000 carton of radio parts and sets with his eyes shut, knowing that the package would contain just so much and no more, and could be divided up just so far. It might be a happy radio world, if radio store stocks could be bought that way; but unfortunately they can not. Stocking a radio store or department is not an easy nor a simple task. Given every other thing that would assure permanency in radio retailing the dealer can commit radio suicide, commercially speaking, according to what he puts on his shelves.

Looking for Radio Customers

After all, customers do not drop into radio stores "like the gentle rain from heaven upon the place beneath." Nor do the customers grow on trees, like ripe plums, waiting for hungry dealers to walk beneath with open mouths. Neither do customers grow wild in easy clusters, like grapes or berries. Customers must be wooed, courted, pampered, won and then dragged to the counter. And even then they sometimes slip away and run off with the other retailer. The radio retailer who expects to stay in the radio business a long, long time must learn quickly where and how to look for customers.

How to Advertise Radio

Not until a fisherman learns how to choose his bait and then how to put the bait on the hook properly does he come home with a long string of fish. Likewise, not until the radio retailer learns what kind of local advertising will win him customers, how much advertising, and when to employ it, will he be able to use to his best advantage, to assure his own survival among radio retailers, that most powerful of all retail selling forces, advertising. He must learn how to advertise to reach the "fan" and the "nut," and other types of trade. He must learn that the public as a whole is perhaps more interested in what radio puts into its ears than it is in the boxed mechanism by which the sound is reproduced. He must learn that advertising must be linked up with service, that advertising must be fitted to the purpose of the radio store, that it must stand up to the store policies, that it must tie in definitely with other practical selling plans of the store.

Displaying Radio Goods

Window, counter and table displays can be made for certain definite purposes. They can be designed to sell

the goods that make up the display. Their purpose can be to educate the prospective customer to the idea behind the goods which the dealer wishes to sell. They can be designed to stimulate the curiosity of the observer so as to coax him into the store. A radio display is not just a display and nothing else. The radio dealer who wants to stay must learn something very practical about the art of displaying his goods not only in the store windows but also in the show cases, on tables, in wall cabinets, and on counters. He must acquire a working knowledge of many of the simple rules that govern the selection of goods to be displayed, the quantity of goods, their arrangement, color harmonies and discords, when to heap a window with parts, when to display a single high grade and expensive set, and many other variations of the art.

Training Salesmen to Sell Radio

And what shall it profit a radio dealer, if after he has worked out his retailing purpose, established his policies, determined sound merchandising plans, properly financed his business, settled in a good location, carefully equipped and arranged his store, stocked it wisely, gone out to find customers, and judiciously advertised to draw them into his store—what shall it profit him then, if all that he has invested and done is lost through ignorant and stupid clerks masquerading under the name of store salesmen? Most manufacturing and distributive processes end at the retailer's counter. Unless the radio store is equipped with properly trained salesmen, who know how to answer the halting queries of the would-be customer who thinks of radio as a strange complexity of metal, wood, glass, and mathematics, unless the salesmen can cater intelligently to the whims and sharpened questions of the wise and sophisticated "nut," the

radio dealer had better delay opening his store,—delay it until he has trained and graduated one or more salesmen to meet the onslaught of the trade. Any numskull can sell peanuts, but it takes knowledge and ability to sell radio and to make the sale “stick” to the satisfaction of both customer and store.

Demonstrating Radio

“Show me how to work it. If I do what you tell me, and I don’t hear the music, what shall I do then? How far shall I turn the knobs? What shall I do when the light doesn’t burn?” These are a painful few of the painfully many questions that the radio salesman must be able to answer when he stands on one side of the counter, the customer on the other, and the radio set between. He must know how to find the sensitive spots in the crystal detector. He must know how to tune in. He must know how to make the set work under normal conditions. “Show me,” says the would-be customer, and the radio dealer or salesman who expects to win a first sale, hold it, and then win a repeat sale from the “fan” or the “nut” must “show him” indeed.

Installing and Servicing Radio

Assuming that the dealer has sold a set, what shall he do when the purchaser says, “By the way, I shall need one of your men to help me put up the antenna and install the set in the house. Can you let me have one?” And both the look on the customer’s face and the words on his lips, tell the dealer that servicing and installation are a legitimate and a very important part of successful radio retailing. Suppose the dealer smiles and says, “Yes, we’ll send a man along with you now. Jim, go along with Mr. Jones and his boy and help them

put up their set." Well, suppose Jim does it; then who pays Jim for his work, and how much? Somebody must foot the bill. Shall it be the customer, or the dealer, or shall the cost be spread over all sales, even that of the customer who wants no installation and no servicing, just as the man who pays cash for his beefsteak and carries it home helps to pay for the delivery of a sirloin steak to his wealthy charge-account neighbor? Likewise, when the telephone rings at 7 p.m. during a concert the dealer is holding for a choice group of prospects rounded up for the occasion, and a voice begs, "Please send me up two or three batteries right away." Well, what then, Mr. Radio Dealer? Servicing is a part of the game, part of the brass-tack squabble for survival. Are you there?

Hooking up Radio Sets

Once upon a time Chinese puzzles made of interlocking rings or keys and even toy ships inside of small-necked bottles were the tests for the ingenuity of youthful America. To-day that youth has more dollars in his pocket than he ever did before, and he is saying, "Say, Bill, what's the answer? I don't know how to hook up this thing. I don't get a sound." There are about twenty-one meals in a well-regulated week, and before and after each of these twenty-one meals the radio dealer or his salesman must be able to make any one of fifty-seven varieties of possible "hook-ups" for young America's radio sets. It's a long day that has no tuning, but it's a different kind of tuning than that of yesterday or to-morrow, perhaps. A bonehead clerk can make chalk marks on a blackboard, but it takes keen radio-active brains to diagram a "hook-up" to a room full of "nuts" who possess rolls of greenbacks that are burning holes in their jeans.

Can You Speed up Sales?

No, radio sales do not speed up themselves. They are sped up, by the dealer who stays on top when the unfitted dealer has gone under. The storekeeper sits on the cracker barrel and sighs for more sales to come in; but the merchant leaves a hot trail across the threshold when he goes out into the highways and hedges and brings in the sales. Every jockey on a racetrack knows a score of sly tricks for speeding up a horse, and certain devilish tricks for slowing one down too. So must the radio dealer know the selling tricks that "bring 'em in fast, boy."

Can You Run a Clubroom?

Gone are the days of the bewhiskered grand-dads who filched crackers and covertly carved off a hunk of cheese, sat around the "egg-stove" and settled the politics of the world in one short evening. Gone are the days of Peck's bad boy and his sand in the brown sugar barrel. To-day grand-dad and grandson are sitting astraddle of camp chairs in the clubroom for radio amateurs in the rear of the radio store or "up the back-stairs." Can you, Mr. Radio Dealer, rub elbows with your prospect, learn to call him by his first name without offending his dignity, and then sell him a part or a set and collect his money before he starts for home after "a pleasant evening" in your radio clubroom? If you are prepared to tackle this happy combination of the social graces and brass-tack selling, then perhaps you will survive as a prosperous radio dealer. For grand-dad and grandson, and daddy also, have a hankering for that radio clubroom. Better open one now.

Keeping Books on the Business

One of the puzzling things about all retailers, and the new radio retailers have been no exception, is the utterly

marvelous capacity which they believe they possess for keeping multitudinous figures "in their heads." Many a retailer can be found who will tell you that all he needs is a wire spindle on which to keep his bills, and some disclaim the spindle. Successful retailing of any kind requires capacity for keeping accounts and controlling finances. And the commercial graveyards are populated with victims of the delusion, "Oh, that's all right, I'll scratch it down after I lock up." If a dealer can afford to pay a bookkeeper, by all means let him employ as competent a bookkeeper as he can find. If he can not employ a bookkeeper, then let him burn a few midnight watts until he learns something about book-keeping himself, until he learns enough to keep proper records covering his cash receipts and disbursements, his purchases, his sales, his debts, his assets and his liabilities, and a few other accounting facts as well. Bad accounting is the white plague of retailing. Its victims mark the passing of the commercially unfit.

Overhead and Profit and Turnover

What mysteries are margins and overhead and selling prices! Yes, they are mysteries to the radio retailer who plunges into a business of his own and suddenly discovers that he never met these mathematical devils before and wonders by what black magic they eat up his dollars or make them do strange and dizzy dances across the pages of his cash book and ledger. Mysteries they remain, unless the retailer decides to whip these devils around the stump until they cease their deviltry with his dollars. And for the retailer who does not possess the courage to tear off the mystery and whip the imps at their own game, they become dangers that can overwhelm the business itself, and frequently do. Margins, overhead, profit, selling prices, and turnover

must be understood and trained to serve the purpose of the business, if the radio store that opened its doors with a flourish of floral pieces and potted ferns in May is to hang up the holly and the mistletoe in December.

Thus, in rapid-fire fashion, have been set down some of the practical and hardheaded things that make up the necessary equipment for the business man who wants to retail radio at a profit. There is not an unnecessary piece in the entire equipment as named. If anything, certain other weapons could be added to advantage for the dealer who starts out to battle for survival. Remember, not every dealer falls in the conflict. So let the new radio dealer keep a keen eye on the radio retailer who seems to be winning his way. He is the man who will stand when the first fight is over. Let the new retailer study merchandising methods of the other dealer and then let him merchandise his own goods with knowledge and wisdom.

CHAPTER II

WORKING POLICIES THAT MAKE PROFITS

Two vital and all-inclusive policies must be thoroughly established and constantly maintained in the radio store or department, if the radio retailer expects to remain permanently in the business and prosper in it. One is: Business must be conducted so as to yield a profit to the seller. The other is: Business must be conducted so as to yield satisfaction to the customer. Both are fundamental. Both are essential to successful radio retailing. Business can not be conducted at a profit very long unless satisfaction is yielded to customers. And satisfaction can not be offered to customers very long unless it yields a profit to the seller. Both policies must stand together, or the business will fall.

Given a definite purpose behind a retail radio business and given definite plans for achieving that purpose, successful retailing then becomes a problem in the fine adjustment of many working policies that very directly affect the working out of the plans themselves. But all of these working policies are parts of the two big policies just set forth.

Stand up for a Fair Profit

First and foremost, should be the dealer's determination to stand up for a fair profit. Surprising as it may seem, there can be found many retailers in radio and in other lines as well, who do not stand up for a fair profit, despite the fact that possible profits are the very reason

why a dealer is supposed to go into business. When a dealer fails to know his overhead, he can not charge overhead into his selling price. Therefore, how can he know what a fair profit is, let alone stand up for one? When he knowingly sells at or below cost in order to get business away from an honest competitor, he is not standing up for a fair profit. He is loading his own business with a charge which only added sales at a larger profit than necessary can remove from his books. He is jeopardizing his own business, regardless of what he does to the competitor. When he fails to sell at a fair profit, he is doing business gratis, for he is not collecting the reward to which he is entitled for doing business. That reward is called profit. When he fails to understand turnover and fails to speed up the rate of turnover, he is accepting much less than a fair annual profit on his investment. When he fails to take the profit he should, he is undermining the future prosperity of his business. The list of offenses against a fair profit is a long one.

Maintain a Uniform Price for All

Dark is that day, no matter how brightly the sun may shine, in which a dealer begins to juggle prices in confidential tones behind the back of his hand. When Mr. So-and-So comes in with a smile and "You know me, Al," on his lips, then let the dealer watch his step. Let him make one bad slip in quoting a price on a set or even on a part or two, and the next day Mr. Old Pal comes in with a twinkle in his eye and a silent hunch that "because he did it for So-and-So he'll do it for me." Let the dealer slip again, and the next week will be filled with folks who will lift their eyes in surprise and say, "Why you sold it to So-and-So and to your Old Pal for the lower figure; of course I get the discount too. Don't

I, Bill?" Not only will old friends and acquaintances graciously and politely take every price advantage they can obtain, but other folks are likely to beset the dealer with requests for special prices, even cut prices, "for the children's home, you know," or for the Ladies Aid Society bazaar, for the community fair, for the hospital, for the firemen's ball, and so on, and so on without end. If the radio dealer starts to trim his prices for every Tom, Harry and Jim that asks it, he will find before long that he can better qualify as a custom tailor's assistant rather than as a successful radio dealer. Let us have a "hand-me-down" price for all.

Enforce a Sound Credit Policy

Somebody, certainly, will want to buy on credit. And there is no good reason why radio sets should not be sold on credit. In fact there is every reason why they should be soundly financed on a time-payment basis just as the electric clothes washer and the vacuum cleaner are now financed. A sound credit policy has two parts. One is the granting of credit and the other is the collection of the money. Not every one that asks for credit should receive it. The radio dealer who is easy in extending credit may find himself moaning out in confidence later, "I've got \$16,000 outstanding in difficult accounts." If so, he will be calling for help when his banker finds it out, and the banker will. But having made sure that credit may be granted on a basis that is fair both to the customer and to himself, then let the radio dealer hold steadily to a fair collection policy. Few things build more enduring respect and lasting business and larger good-will for a dealer than a just collection policy justly maintained year after year. Ask any veteran retailer about this, and memorize his answer.

Only Quality Goods Sold Here

If ever a new retail line needed to adopt the slogan "Only quality goods are sold here" that line is radio. The dealer who wants to hold a permanent trade this year and the next and the next one, can win it in no better way than by driving home the quality argument in every sale he makes. The radio shelves of the country are full of shoddy goods. The sooner this spurious stuff is thrown into the junk heap the better for radio. In the sale of such a delicately adjusted article as a radio set, or even certain parts, satisfactory results to the customer are inseparable from quality goods. And back up quality goods with quality selling.

Handle Complaints Gently

Despite the most careful selling and installation and servicing of radio goods, complaints will come in. The customer, so says the merchandising law, is always right. Well, perhaps he is, and perhaps he is not, but he certainly thinks he is, and the dealer needs be careful how he combats that conviction. Old King Solomon would have made a grand adjustment clerk. For he said, "A soft answer turneth away wrath, but grievous words stir up anger." No wiser philosophy than that can be found to guide the dealer in the settlement of complaints. A good practice is to let the customer talk first and do most of the talking. Let the dealer carefully consider the complaint, and then make a quiet and fair decision. If the dealer has been to blame, let him frankly admit it. If the customer is at fault, the dealer may make that fact clear. It's a fair play all around that wins out. Convince the customer that you play fairly and he will also.

Avoid Substitution as Far as Possible

"Here's another kind just as good," is bad business.

When a customer, and especially a radio "nut" who has studied manufacturers' catalogues until they have fallen apart, comes into the store and asks for a part or a set, naming the manufacturer or the giving the trade name of the goods, you can make up your mind that he is largely sold on what he asks for and wants that and not something else. That clerk who makes an indifferent search for the article named and who then comes back to the customer with a "substitute" is likely to be a sales-loser rather than a sales-getter. Suppose the salesman knows he does not have the article named, or suppose he does rightly know that the article named is inferior to the one he has on hand, let him prove his salesmanship with skill. Let him lead the *customer* to suggest the "something else." But by all means, let that phrase "just as good" be dropped. It may be just as good in fact, but the phrase has been used to cover so many selling sins that it has a sinful sound itself.

Beware of Special Services

Every veteran retailer knows the bane—and the cost—of special services, and radio dealers are beginning to learn it. Sending a twenty-five dollar week clerk six miles and paying his carfare in order to deliver a fifty cent part on a demand for "special service" from Mrs. Toplofty is not going to yield a profit. Lending a radio set for a charity makes the set second-hand, and that means a second-hand price for it and a second-hand profit or none at all. Servicing is one of the things the radio dealer has to sell just as much as a "part" or a "set." Servicing carries a direct charge for labor expended in it, it carries overhead, and it ought to carry a profit, too. Therefore, ask a fair selling price for any service, be it special or regular.

Advertised and Non-Advertised Goods

In some of the older retail lines the conflict between the folks who push nationally advertised goods as against those not advertised on a national scale by the manufacturer is a much more troublesome conflict than it now is in the radio field. That mooted struggle is as yet ahead of the radio dealer, but it is coming. When it arrives let the dealer take careful thought in the matter, test his judgment as far as possible against the experience of other retailers of radio, and then lay down a sound policy for himself. Whatever this policy may be, let the dealer not be tossed about by every advertising wind that blows.

Insist on Unfailing Courtesy to Customers

Every other policy may be sound in the radio dealer's store, and still he may fail, unless salesmen maintain unfailing courtesy toward customers. Many a sale is lost because salesmen fail in this respect. A customer is, after all, a guest of the store. He may not always act like one, but that fact does not justify a lack of courtesy on the part of the salesman.

Fair and Honest Competition

Fair competition may still be the life of trade, but unfair and dishonest competition is certain death of trade, sometimes for the other fellow but always for the unfair dealer himself in the long run. Unfair competition is a shortcut to the sheriff's sale.

Go after Business Energetically

Faint heart never won any more business in this world than it did ladies in the world of romance and knighthood. All other sound retailing policies that may be established are doubly reinforced when full-hearted energy is put

into and behind the selling effort by a dealer who does not let the moss grow on the soles of his shoes. Business belongs to the man who goes after it. In fact it belongs so much to him that it comes more than half-way to meet him when he goes out to get it. When it comes to radio retailing or any other kind of retailing for that matter, there is no divine right or ownership. The sale belongs to the man who gets it honestly. And furthermore, it belongs to the dealer who gets it first. "Everything comes to him who waits," may be true in some worlds, but it seldom is in the world of business. Other things being equal, the man who refuses to wait gets his share first.

CHAPTER III

FINANCING THE RADIO DEPARTMENT

WHEN a retailer enters into a business where the market is undergoing a change such as the radio market is now undergoing, he should look past the present horizon of quick dollars into the future of steady profits. The progressive dealer aims to sell reliable products and reliable service. Where products and prices are apt to change, the purchase of stock should be on the basis of what can be sold six months from now, as well as the present.

Reliable manufacturers exercise care in the introduction of new articles. No manufacturer that intends to stay in business will introduce a new article that lessens the sale of one already on his market without making provision for taking care of his dealers and their service to customers. One may feel confident that the radio receiving unit is already developed to a point where no new device is likely to be brought onto the market that would make stock already there entirely unsalable. Products, prices and service have a direct bearing on the financing of a radio department or store. Not only the nature of the product, but the nature of the demand also, must be considered.

The sale of radio receiving units is intimately related to the sale of all electrical devices. The electrical store is the logical source of radio supplies. For many years the users of electrical things have looked to the electrical store for dependable electrical merchandise. In consequence, therefore, radio—the recent addition to the

electrical appliances and devices, should be sold in the retail electrical store. The present customers of electrical stores should not be required to go somewhere else to make purchases of radio. The butcher-shop, the stationery store, and the pawn-shop will have to quit as radio outlets if the electrical dealer will rise to the occasion. Let him sell and service radio materials like other electrical things and he will have no difficulty in keeping the sale of radio in its logical channel.

What then are the questions to be answered in connection with the actual financing and opening of a radio department, especially in the electrical store?

Where Shall the Capital Come from?

The first one is: Where shall the money come from? Obviously, a radio department or a radio store cannot be opened up and maintained without capital. To open up a department new capital must be brought into the business, or else capital must be drawn from some other department. If new capital is brought in, other departments need not be handicapped by the new radio department. They may, and ought to, be stimulated by the new line. Just where the dealer shall obtain the new capital is, of course, a question that must be answered according to the facts in any particular case. It might be well for the dealer to consider taking in a partner, with money to invest. The partnership need not cover the business of the other departments; it may in fact apply only to the radio department. Where capital is withdrawn from established departments of a business, care must be taken that these departments are not crippled. Nothing could be more unwise than for a dealer to sacrifice the assurance of sound profits in one or more veteran departments for the mere chance of profits in a "rookie" department. Invest wisely, don't gamble.

The second question is: What kind of radio receiving units can my store sell? The answer to this question is found chiefly in the analysis of the people to whom the store can sell.

No matter how enthusiastic a dealer may be able to make people over wanting to own a receiving unit, he will be unwise to make a sale of a \$75 unit, for example, to those who do not have the money to pay for it. If the store's sales are limited to people whose earning power is too low to buy expensive units then it must be determined to stock principally inexpensive crystal sets or merely parts for building units. While it is true that a good many units are being built and will continue to be built solely because of a liking for the work, building a set is still cheaper than buying a complete unit. That therefore will be the motive for a good many people in the future for buying radio parts. In the neighborhood where the purchasing power is limited, lower price units and parts will have a better acceptance.

If the store is located in a well-to-do neighborhood there will be an opportunity to sell the higher priced receiving units and perhaps the large cabinet style units. While the neighborhood electrical dealer has a comparatively simple situation, the centrally located store has a much more difficult one. Since the centrally located dealer does not serve any particular community, he will be able to stock both inexpensive and higher priced units. Or if it be in line with his general store policy, he can stock either kind to the exclusion of the other. The centrally located store can also stock parts in addition to its complete line of receiving units.

How Location of Broadcasting Station Influences Radio Stock Investment

It is more than probable that within another year every city of any size at all will have a broadcasting station

located in it. In the meantime, however, the radio department can stock only such receiving units as operate successfully when installed by the customers of the store.

There are two separate types of receiving units, the "crystal" and the "audion bulb." The crystal type is capable of receiving broadcasting efficiently only within a radius of fifteen to twenty miles of the broadcasting station. The crystal type is also incapable of eliminating the messages of one broadcasting station in favor of another when two stations located close to each other are in the act of broadcasting simultaneously at approximately the same wave length.

The "audion bulb" receiving units are far superior in capacity and efficiency, in rendering satisfactory results. They have a radius of hundreds of miles and are capable of eliminating interference. Broadcasting itself will most likely be brought under regulation so that the chance of more than one station sending at the same time in a given locality will disappear. If broadcasting regulation comes, it will permit the more general use of the crystal set, for local receiving.

How Much to Invest in the Radio Department

Where the capital invested in the electrical store is under \$5,000, it is advisable to limit the initial investment in the permanent radio department to approximately \$200. Stores limited in capital such as an investment of under \$5,000 represents, are ordinarily located in neighborhoods with restricted purchasing power as the survey of the people who can be sold will indicate. The money should therefore be spent chiefly in buying crystal receiving units, if broadcasting conditions will permit, and in parts for building audion units.

A Chicago dealer of the kind described above invested \$230 in the purchase of ten \$14 list complete crystal

receiving units, two crystal detectors, two double slide tuners, two condensers, four variometers, four audion bulb panels, six sets 2,000-ohm telephones and a limited quantity of aerial wire insulators, etc. His stock sold within three weeks at a margin of 25 per cent. He naturally re-ordered on the basis of what sold the quickest. It was found that parts for building sets sold the easiest, as a previous analysis of the prospects had indicated. The radio department in that particular store will limit itself therefore to the sale of parts. The owner of the store is educating himself on radio and hopes to increase his future radio profits by assisting his customers in the installation and operation of radio units in the home.

In electrical stores where the investment is between \$5,000 and \$12,000 the initial investment in the radio department can be increased to approximately \$500 to \$600. Depending, of course, entirely upon the analysis of prospects, a \$600 investment in radio can include a few audion bulb units under \$100 list, auxiliary batteries, audion bulbs, parts for building sets, etc. Where broadcasting conditions permit the use of crystal sets, the complete crystal unit and parts for building a crystal set will comprise a complete radio department. The store of this size requires usually either a good-sized community or central location. This condition permits the profitable stocking of a larger variety of radio materials.

The radio department in the electrical store can be modeled after the section in the average electrical store devoted to the sale of table heating devices. A glass counter display and the shelves directly in back of it devoted to the radio stock can be sufficient. In stores where the investment is around \$10,000 the volume of business usually permits the employment of one and sometimes even two clerks. The store proprietor can assign one of his clerks to handle the radio sales.

It must be remembered that if it is found that radio sales are on the increase there is no real reason why an arbitrary stock investment limit should handicap profits. The purpose of setting any sort of limit on investments in stocks is to control stock turnover, the key to retail profits.

There is another group of stores where the invested capital is between \$12,000 and \$25,000. Stores of this kind located in downtown districts of fairly large towns can open a fairly extensive radio department on an initial stock investment limit between \$1,000 and \$1,500. Where the capital investment in the store is in excess of \$25,000 there can be an increase of the initial stock investment in proportion with the determination of the management to go after radio business. In some of the larger electrical stores investments in the radio departments now total \$4,000 to \$5,000 and in a few cases where dealers have installed broadcasting stations the investment is over \$25,000.

In stores where the radio department represents an investment of \$1,000 or more the department should be put in charge of not necessarily a radio expert but a man who is thoroughly familiar with radio parts, installations and hook-up problems. A department of this size can include a large variety of higher priced receiving units, parts and supplies of all kinds. It can carry large sets and make installations of them in hotel lobbies, offices, lodge halls and similar places. The large radio department will eventually have outside salesmen to promote the sale of receiving units to business institutions where the receiving unit will be of commercial value.

Make the Radio Department Show Individual Profits

Just as soon as you have purchased your initial stock of radio, you should provide a separate section in your

store for it. Radio materials should be kept separate from the rest of the stock so that the stock turnover can be controlled separately. They should be kept separate so that the radio department will stand or fall on its own merits.

The margin of profit on radio materials at the present averages 25 per cent. There are also quantity purchase requirements in order to secure maximum discounts which have to be considered very carefully in connection with keeping the proper stock turnover. With an average margin of 25 per cent, a relatively quick stock turnover must be secured in order to show a substantial profit. It is almost necessary to keep stock limited so that it will turn at least five times a year.

Take, as an example, the store which invests \$500 in radio. On the basis of five stock turns at a 25 per cent margin the yearly radio sales amount to \$3,333.33. The sales at cost are \$2,500 leaving \$833.33 for overhead and profit. The cost of doing business for the entire store is 21 per cent but for the radio department it is 18 per cent of \$3,333.33 equals \$600. Subtracting \$600 (cost of doing business in the radio department) from \$833.33, the net profit is \$233.33—\$233.33 is 47 per cent of \$500 which is that amount of money tied up in the radio department at any given time during the year.

If, on the other hand, the stock turnover was only three times the sales would be \$2,000; sales at cost \$1,500; and the margin for overhead and profit \$500. Assuming a departmental cost of doing business of 18 per cent as above, the cost of doing business in dollars and cents would be \$360. This amount subtracted from the \$500 leaves \$140 profit, which is 28 per cent of the average amount of \$500 invested in the radio department, as compared with 47 per cent on five stock turns.

Charge the Department with Proper Expenses

It is not meant when a stock turnover rate of five times is suggested for the radio department that every part or radio accessory should turn that many times during the year. What is meant is that the average stock turnover should be five times. Thus if a number of items turn only three times a year then a sufficient number of other items should turn six to eight times, so that the average will be five times.

Stock turnover can be speeded by increasing sales, or by limiting stock investments when sales remain at a given level. If it is found that sales in the radio department increase, stock investments can be increased and still keep the turnover rate at an average of five times a year. This will guarantee a proper return of the investment in the radio department.

With the rate of turnover for the radio department under control it follows that the expense of operating the department must also be controlled. Charge to the radio department only such proportions of the store's rent, light, heat, advertising and selling expenses as you can estimate belong to the sale of radio materials. Never expect to show the proper profit figures for any single department or line in your store when you charge the total percentage cost of doing business for your store against the sales of a single department or line of appliances.

Thus if the radio department will cover one-fifth of the store space, in determining whether the department is a profitable part of the business—as a department—only one-fifth of the rent can be charged against it. Work out similar proportions on all other carrying expenses and charge the radio department with its proper proportion. With the selling expenses the proportions can not be accurately divided and it is often wise to charge the percentage sales cost of the entire store to the department,

excepting, however, instances where people are employed in the department and spend all of their time in it, or where the department is advertised separately from the rest of the store.

Back up Financing with an Aggressive Sales Policy

The electrical dealer should not gage future radio sales too strongly by present market conditions. The radio department should plan to become an active healthy part of the entire electrical store and at once adopt an aggressive sales policy.

Window displays, advertisements, sales talks are at the present more or less evidence of ability to deliver outfits. In the future radio receiving units will be sold through convincing people that the radio unit is an enjoyable household device, or that it is valuable to the business institution. Very little can be said as to the amount of advertising dealers will have to do. Manufacturers will undoubtedly begin to advertise nationally. Dealer advertising under conditions where manufacturers advertise their products nationally is relatively a simple tie-in problem. If, however, no national advertising is done of radio receiving units the dealer must study his own line in order to develop good selling points for his own advertising. Radio units will be sold in competition with other units. The advertising and selling effort will parallel that of the vacuum cleaner or washing machine.

CHAPTER IV

CHOOSING A RADIO STORE LOCATION

Two undertakers, a dozen or more years ago, were located on opposite sides of the same street at a point about three-quarters of a mile from where it ended abruptly at the main entrance to one of the largest steel mills in America at that time. Just inside of the entrance was the private hospital of the mill. It was during the days before "Safety First" had won its way into power, and deaths of workmen in the mill were all too frequent. Sometimes there was a death every day. Once during a busy season at the mill three deaths occurred in one day. It happened that both undertakers heard of the deaths at almost the same time. Immediately both were on the job. The first undertaker obtained two "cases," and the other, one "case." That started it. The next week the second undertaker moved one block closer to the entrance of the mill. The following month the first undertaker moved almost opposite the second one. And so the race of the two undertakers continued for nearly two years and a half, until finally they had located their places of business directly opposite each other at the end of the street. Neither could move any closer to the mill. Both were equally well located to handle the "business" from the hospital. It would be difficult to find a more dramatic, even gruesome, race for location between two small business men than this race of the undertakers.

The story has its lessons for the radio dealer, especially as there are many radio dealers whose "stores" are likely

to be good "cases" for the undertaker in bankruptcy. It has its lesson for every retailer, in fact. The lesson is: If you want to stay in business you must locate where business is to be found.

During the height of the radio "craze" in New York City, a radio dealer opened a store about one hundred feet down a poorly frequented side street just off of Broadway and not far from Times Square. For about one month all the "fans" and "nuts" who caught glimpses of his sign from Broadway turned into the side street and filled his store. He did a "land-office business," as the westerner says. Then warm weather came on, and "static" grew worse, and the "craze" grew lazy, and folks were too tired to stroll down the side street, but preferred to linger in a radio shop a block or two farther on up Broadway, and even climb the stairs to a second-story radio store on that street. The dealer had picked what seemed to him a good location, but it was merely a "craze" location. A whimsical clerk even declared it was a crazy location. The dealer tried to keep business in his store, finally gave it up, and sold out at a loss. For good measure to his successor he threw in plenty of maledictions on customers who had not "paid up."

In a busy town in Connecticut, a dealer opened a radio store on a main street about two blocks south of its intersection with the other main street. A second dealer opened a radio business about one-half a block north of the intersection and just midway between two motion-picture theaters. The first dealer knew much more about radio than the second and carried a better stock. But the second dealer won at least three times as much business as the first dealer.

Given two retailers of equal ability and resources, location may often spell success for one and failure for the other. Location can make a dealer into a millionaire and

location can also make him a pauper. Locations have been sold for hundreds of thousands of dollars and even millions. Great business houses like F. W. Woolworth & Company, the United Cigar Stores Company, Liggett's Drug Stores, and others have spent fortunes testing out the trading value of prospective locations, even using counting machines to record the numbers of probable customers passing a given location during a day and at various hours in the day.

For the man who is about to open a radio store, for the dealer who is about to open a radio department, for the radio dealer whose lease is about to expire, for the radio dealer who is buying a new store or going into partnership with some other dealer, location becomes a consideration of very great importance.

Assuming that in most of these cases there is no question of choosing town or city, that that is already settled, what then are the things to consider in choosing a place for the radio store?

Make a Careful Study of the Store's Market

Probably the first thing to do is to make a careful study of your town or neighborhood. If you are planning to open a radio store in a town where the business section is small and where you are well and favorably known, the problem of location is not especially difficult. If you are a dealer already established in some other retail line and plan to open a radio department in your present store, you probably are not worrying about location. If, however, instead of opening the department in your present store you are planning to open up a branch store or to go into some sort of partnership with some one who wants to open an exclusive radio store elsewhere, then the study of the town or neighborhood becomes important in direct proportion to the size of your town or city. For the big

city dealer this survey of the neighborhood in which it is planned to open the store is vital, indeed.

In the very small town the dealer who is planning a radio store will do well to ask himself first, "Will the interest in radio in this town be sufficiently permanent and strong enough to justify an investment in a radio store? Is the population made up of wage earners, small salaried people, or a wealthy class of people? Are the people in this town accustomed to doing business on a cash basis or is the charge system prevalent? Is the town large enough so that an exclusive radio store can be supported by any one group of the population, say the wage earners or salaried group? Assuming that it is and that a radio dealer can do a profitable business by planning to meet a special kind of demand for radio parts or sets, what then is the logical location for each of the buying groups in the city? If the store is planned to meet the demands of a large class of factory workers who spend their off-hours in rigging up antenna and hooking up sets, then what is the best location for reaching such a class? If a special effort is to be made to sell higher grade parts and more expensive sets to a middle class with slightly larger pocket-books, where shall the store be located to reach that class? If the town is large enough to support a number of those small exclusive shops which cater only to customers that drive up in six-cylindere limousines, where shall the store be located in order to reach this class of trade? If on the other hand, it is planned to open a radio store that will reach all of these classes of trade, then the question of a well-balanced location in all except a small town becomes much more difficult.

Choosing Location in a Large City

For the prospective radio dealer who plans to open a store in a large and densely populated city, all the ques-

tions that have just been asked touching the smaller city apply with even greater force, and other troublesome questions touching location also arise. Of course, in the large city any one class of the population as above divided is large, and the larger the size of the class the greater the likelihood of its being able to support a retail radio store planned to meet the needs of that buying group. In such a case the difficulty in regard to location arises from the fact that density of population usually gives birth to a whole brood of stores or departments planning to meet the buying needs of any special class of trade, and thus because of the volume of competition the question of location becomes even more difficult.

Large and densely populated cities at once give rise to questions as to whether the radio store shall be located in the business center of the city or in one of the outlying neighborhood buying centers; whether the store shall be located in a retail shopping center or an amusement section; whether it shall be located in or near a great office building with its thousands of employees; whether it shall be located in the hotel section of the city; whether it shall be located near a great railroad terminal, or shipping section; and whether it shall be located at the intersection point of a large number of street car lines, or near an elevated or subway "express" or "local" station. And a score of other questions touching location swarm down on the dealer who plans a store in a large city.

Obviously, the question as to the kind of store the dealer plans to open and the study he makes of his town or neighborhood are so closely related that they can not be torn apart. A study of the village, town, neighborhood, or city in which it is planned to open up a radio store (or any other kind of retail store, for that matter) at once reveals the various kinds of trade for which a store

can be established and reveals also the buying power of these various classes. This study forces the prospective dealer to decide what kind of store he plans to run; and with this decision made, he is then obliged to re-study his problem of location in order to carry out his decision to the greatest profit.

How Location Affects a New Radio Department

For the dealer who already has a store and who plans to open a radio department the question of location has a slightly different aspect. In this case the character of the established trade patronizing the store and the character of the trade it is possible to draw to the store will determine the character of the radio department to be opened. Here the location is settled and the character of the possible business that can be done from that location must be determined. Under the other set of conditions the character of the prospective business is first determined and the location is chosen accordingly. For the already established retail dealer who plans to take on radio, the study becomes a scrutiny of his present customers, possible ones who pass his store, and other possible ones who can by some means be drawn to it from the immediate neighborhood. An established retailer of high-grade cameras and other optical goods located within a stone's throw of Fifth Avenue and Forty-second Street, New York, for example, plans a very different kind of radio department than would a dealer in wiring supplies and motors located in the "Hell's Kitchen" section of Manhattan Island, just a mile west of Fifth Avenue.

For a new store or for a new department in an old store, the answer is—study the neighborhood and the character of the trade to which you wish to sell and then plan accordingly.

Main Street or Side Street

Whether to choose a location on a main street or on a side street and on which side of the street in either case, is sometimes a troublesome question. Naturally a good location on the populous side of a main street seems preferable. Sometimes such a location can not be obtained. All the stores on main street may be owned by the occupants or may be held by tenants under long leases. No leases may be about to expire, or none may be for sale. Or if a location is available on the main street, its cost may be beyond the means of the dealer, or if within his available financial resources may be too heavy a load for his cost of doing business, especially if there exists competition that is not burdened with a high rental.

Under such conditions as those just set forth, naturally the dealer is likely to choose a location on a side street. Then, of course, the problem is to find the best side street location. To do this let the prospective dealer spend many an hour on foot walking up and down the main streets and side streets and studying at all hours of the day the movement of human traffic along its municipal by-paths and paved lanes. Some side streets are better than others. Density of foot traffic on a side street is not always a final test. A side street with a motion picture theater half a block off of the main street but with no other crowd-drawing places of business may or may not be a good location, depending on the portion of each day during which the theater is open and the kind of trade it draws at the afternoon and evening performances. A side street without a crowd-drawing kind of business located on it but one with a heavy volume of automobile traffic turning into it from the main street and with the automobile stores and garages beyond the prospective location, may be a better street on which to open a new

radio store than a "movie" side street. The first guess on a side street location may be a bad guess. Let the new store dealer study all the side streets that are worth a second thought, let him put down the conditions that characterize each side street, let him study these conditions, let him weigh each side street carefully in his mind, let him check his tentative decision against the judgment of dealers in other lines already located on side streets, and then let him re-study the whole problem before he makes his final decision. By all means let him think not once, nor twice, but twenty times before he takes a long lease on a side street store. The side street may become a main street, but it may take twenty years to do it. And let him test the prospective side street location against each and all of the factors that make for success and failure in a retail business. Finally, let him not forget that if a side street location is to be chosen, he must be sure that he possesses the merchandising ability to draw trade down the side street despite itself and against its inclination. Unless dominated by some powerful external force, trade is always lazy and follows the line of least resistance down the main highways.

Special Points on a Main Street Location

If, on the other hand, a main street location is available and can be soundly financed, what are some of the considerations? There are many. A few important ones should be kept in mind. Small retailers have found it profitable to locate close to a large store that does a large amount of advertising. Advertising draws trade. Often this trade overflows into the stores near the one doing the advertising. Often the large store caters to a special class of trade. Another class of trade not finding what it wants in the large store or finding what it wants at a figure beyond its means will buy with pleasure at a nearby

store catering to its demands and within reach of its pocketbook.

A location close to a related kind of business is worth careful consideration, not only because the other business may be a heavy advertiser but also because one kind of purchase induces another purchase of a similar kind. If a young man is buying skates or hunting togs and guns or ammunition in a sporting goods store, he is more likely to slip into the radio store next door to the sporting goods store and buy a few parts or a new radio set than he is if the radio store were located in a wholesale district or among a lot of millinery shops in the next block.

A main street location on a corner out near the end of the business section may not be as valuable as a middle-of-the-block location in the heart of the business section. A main street location in the end of the business section is likely to be a poor one if it is just beyond a railroad crossing whether the tracks be on the surface or elevated, because it is so easy for people to say, "Let's walk down to the tracks and then turn back." A main street location in a block dominated chiefly by a large hotel may be a questionable location for the radio dealer, for hotel patrons are not buying radio sets while traveling, and home town folks frequent the shopping district for their retail purchases rather than the hotel district. A main street location midway between two populous traffic centers may draw trade from neither. An illustration is that of a large department store in Chicago, which put up its own building on a comparatively cheap piece of real estate just two blocks removed from each of two elevated stations drawing heavy traffic. The department store found itself forced to the limit of its merchandising ability to draw a profit-making volume of trade from the two small-shop centers at the elevated stations. And indeed the department store never did prosper until numerous small

retail stores built up the open stretches between the big store and each of the stations. Other considerations touching the value of a main street location can be brought to light by any observing and thinking dealer who will give the matter close attention and study before he chooses the place for his new business.

Which Side of the Street?

Sometimes the question of which side of the street, be it a main or a side street, becomes an important one. Often one side of a business street is much more populous than the other side. On a street running east and west, the north side is preferable in winter to the south side, other things being equal, because it is warmer. The south side becomes preferable in summer because it is the shady side. Thus summer-selling goods are likely to do better on a south side of the street, and winter-selling goods are likely to do better on the north side of the street. In highly seasonable retail lines these are exceedingly vital considerations for the average retailer in one line. They, of course, are less vital for the large department store. For the radio dealer they are worth consideration, for until summer "static" is overcome radio is likely to be something of a fall and winter commodity. Radio dealers in Pittsburgh and New York, during the early summer of 1922, noticed a sharp decline in sales as soon as warm weather began. This was attributed not entirely to the lessening of the radio "craze," but to the renewed interest in out-of-door activities, on the part of radio "fans" and "nuts." Of course, on a north and south street, these conditions are slightly different. In winter trade flows down the warm side of the street, but that is the west side of the street in the morning and the east side of the street in the afternoon. And in the summer the trade seeks the shady side of the street both morning and after-

noon. If all business streets were densely populated at all times, these considerations would be less important, but in most of the business streets of America the street-walking habits of foot traffic is a very important consideration in choosing a location.

Second-Story Stores

One of the interesting developments in the rise of radio stores and the opening of radio departments has been the number of second-story places of business. Sometimes three or four have been found within one or two blocks. Probably only the intense interest in radio has made possible the profitable operations of some of these second-story stores. Every retailer knows enough about human nature to realize that there must be some sort of a compelling force to make a customer lift one hundred and fifty pounds of weight up each of twenty-five or thirty steps in order to buy an article that can also be obtained at a reasonable price on the street level. It is also interesting to note that the radio "craze" began to "slump" for second-story stores before it did for street-level stores, unless easy and frequent elevator service were possible for the radio store or department from the street level below. The radio dealer who is debating a second-story location will do well to consider the human nature characteristics of his probable customers, and to decide whether he can offer real inducements that will offset the advantages of the street-level store. A second-story store may be obtainable at a low rental compared with a street-level store, but because of the greater difficulty in getting sales each sale may have to bear a heavier rental charge. Think twice before locating "upstairs."

What about Competition?

When all other questions touching location have been worked out, competition may throw a monkey-wrench into

the machinery. It is difficult to lay down much definite guidance on this point. A dealer may be tempted to think that a location as far removed as possible from competition would be a good location. It may and again it may not. The competitor's store may not be able to handle all of the trade. It may cater to a different kind of trade and in that respect at least cease to be troublesome competition. The competitor may be doing business on an unsound basis; and if so, he is not likely to be in business very long. His service to the trade may be bad. Then there is an opportunity for a dealer who can serve the trade as it should be served. The competitor may be paying so high an overhead that his competition is not likely to last very long. His radio business may be merely a department aimed to take advantage of the popular interest in radio, and his competition may disappear when his selling effort goes back to his established lines. With regard to competition as affecting the choice of a location, the thing to keep in mind is the necessity for a careful analysis of the competition and a planning to meet it in the points on which it must be met and to surpass it on all other points as far as possible.

When it comes to a consideration of rent, of course, the desirable thing is as low a rental as possible, providing the low rent is not a handicap. Remember that rent is what is paid for location and for store building. A choice of location based entirely on a low rental would be very bad policy. A higher rental might make a much better volume of business possible and even reduce overhead per sale. A low rental location may be either a serious handicap or a great advantage. Also a high rental location can be a serious burden or a real asset. Here, as in anything else in life or business a hasty decision may sometimes spell ruin. Rent must be a wise investment if it is to earn satisfactory returns. And tied in closely with

rent is the problem of long or short lease. This factor must be very carefully worked out, especially in relation to the purchase and installation of store fixtures and equipment.

The Frontage and the Entrance

Location covers not only a choice of the place of business with reference to streets and other kinds of business and competition, but it also covers the building in which the retail radio business is to be set up, the store space and store conditions themselves. Given a desirable site, let us call it, the store itself may break or make the business.

A store with a wide and attractive entrance is of course looked upon with favor. A forty-foot frontage is considered a choice frontage for a store in any one of the established retail lines. Other things being equal, it offers a width that can make possible a good arrangement or "layout" within the store and an excellent display of goods both within the store itself and also the display windows. It provides for a large body of customers without crowding and confusion. On the other hand, many striking examples of highly profitable retail concerns can be found housed in stores of twenty-five foot frontage. In either case, store arrangement is a vital factor, and especially in the narrower store. Given a wide frontage and windows flush with sidewalk and with an entrance close to the sidewalk and set midway between the windows at one side or across the corner, a good business should be expected. Given a narrow frontage, what is known as the recessed entrance is likely to be of greater advantage to the business than one with narrow windows set parallel to the sidewalk. A recessed entrance provides much greater display frontage, and also provides a sort of quiet eddy off from the main sidewalk traffic, from which

inspection of the windows may be made with ease and comfort and without jostling, and from which entrance into the store is even easier. The recessed entrance is a sort of "coaxer" to trade to "come in."

Windows and Window Backgrounds

Windows themselves should be as free of posts as possible, should extend down to a level making "window-floor display" easy for the observer, should be deep enough for large displays and window display stunts, and should be equipped with backgrounds extending up to the level of the eye of the observer from the sidewalk. Retail and window display experts have found by long experience that most window displays require some sort of background, if they are to be effective. Windows which permit a full view of the store interior also permit the spectator to shift his attention from the display and to forget it while he watches what is going on within the store. Also customers have been found to dislike being watched by outsiders, while making a purchase. Windows should keep the attention on the goods that are to be sold through the display effort expended on them. A valuable display loses much of its value, if attention shifts to the activities within the store. A background "eye-high" permits the handling of displays to advantage and profit and also permits light to enter freely. Many retailers can be found who prefer solid backgrounds extending to the ceiling. This may often be advisable, if other provision is made for ample daylighting.

Steps and Posts

If there is a second floor or a basement, steps in either case should carry low risers and broad treads. Elevator service should, if possible, supplement the steps. Avoid steps at the main entrance.

Posts scattered through the store space are likely to

make arrangement difficult. And yet posts have often been capitalized in a clever way. Square or circular shelves built around and supported on the posts themselves provide unique display methods.

Ventilation, Heat and Light

Ventilation must be kept in mind, too, in choosing a store. Poor ventilation certainly does have a depressing effect on customers especially those who are accustomed to well-ventilated homes or places of business for themselves. Often bad ventilation accounts for a short stay within the store on the part of a prospective customer. The customer leaves and both he and the salesperson may be unaware that bad ventilation helped to prevent a sale. Certain it is that bad ventilation has a very noticeable effect on the salesman or clerk who must stay within the store all day. Tired clerks and poor ventilation make for ill-tempered clerks and bad sales.

If ventilation is important all the year round, and it is, heat in winter and coolness in summer must also be possible in the carefully chosen store. A temperature in winter of about 65 degrees should be possible. Does the heating equipment of the store under consideration make this temperature available throughout the business day? Is the store wired for electric fans so that electric lights need not be disturbed in order to make connections?

How about light? Is the store well lighted during the day? Is it equipped correctly for artificial illumination? Are the store windows wired for various degrees and kinds of lighting? Is the lighting that is available correctly designed to serve the windows?

These are only some of the many questions touching heating, cooling, and lighting, which the dealer should ask himself when appraising any store as a possible home for his radio business.

Location is a big, vital factor in determining the success or failure of any kind of retail store. It covers many things which deserve the most careful attention before an investment is made in a home for the prospective radio business.

CHAPTER V

STORE EQUIPMENT AND ITS ARRANGEMENT

Good tools kept in good condition are essential to good workmanship. A tailor can not make a well-fitting suit with a pair of dull-edged sheep shears and a broken needle. Show cases, wall cases, tables, shelves, counters, lighting fixtures and other store furnishings are the tools of the retail dealer. Unless these selling tools are well chosen and properly arranged so as to make the store a master sales tool, the dealer, and especially the radio dealer, will find himself seriously handicapped in his business. This holds good for the radio department in a modern department, for the small retail store carrying radio sets and parts as a side line, and especially for the small exclusive radio store.

Despite the recent craze for radio sets, it must not be thought that radio is a passing fad or fancy. It is much more than that. It is the practical development of a wonderful discovery and its possibilities are almost boundless. The use of radio receiving sets will no more become obsolete than the automobile has become. There will be a continued improvement in receiving, and even transmitting may some day become a common thing. Those people who become supplied with receiving sets are going to continue to use them, and they are going to require new parts, improvements and replacements constantly. When you have sold a customer a set, you have not taken him from your list of prospects. You have placed him on a list of regular buyers of supplies. With this remarkable demand, a demand that seems

likely to continue indefinitely and steadily, it is important that the radio dealer shall equip and arrange his store suitably for the purpose. Makeshift equipment and arrangement will not serve the purpose properly because the business is one that has come to stay.

Already dealers have made mistakes in equipping their stores to handle the radio trade. One dealer who was one of the first to get into the game (call him Myers), was quick to sense the demand for radio stuff and he got orders in early and he ordered liberally, more liberally than most men would have dared order, and yet he did not have the right idea. "This thing is going to go big for this year," he said, "and I'm going to cash in on it before the bottom drops out."

Dangers in Makeshift Equipment

Myers is a plunger and this was once when he had the right "hunch" and he plunged profitably, but already the bottom is dropping out of his business, because he did not build for more than the year he had in mind.

He moved everything out of a corner of his store and put his radio apparatus in, but his handling of his stock was makeshift arrangement. He piled stuff up on shelves that did not fit. For some of the goods the shelving was too narrow. For some it was too deep. His shelf display looked badly and projecting stock was knocked to the floor. In the corner on the floor he had to pile batteries and wire and boxes of extra stock. He hastily painted two or three large packing cases and set them up in front of the shelving for a counter.

A friend stopped in one day and commented on the appearance of his radio department. "Looks like a shack set up for a street fair or some other one week stand," said the observing friend.

"Believe me," replied Myers, "I am not going to put

any money into fixtures for this game. I'll have the goods while folks are crazy for them and they won't care what kind of a counter I have. Then when the craze is over, I can knock the counter to pieces and go on about my regular business in electrical goods that don't go out of style over night."

The friend did not agree with Myers' idea of the short life of the radio trade and said so, but Myers believed in his own judgment and followed it. He installed a receiving set, but he put in the cheapest he could set up, and he gave it little attention and it gave him poor service.

Myers has a competitor, an electrical merchandising man on a nearby corner. His name is Burgin, rather a conservative merchant, but a business getter at that. Burgin saw something in radio. He saw perhaps more than Myers saw, because he looked ahead. His vision took in next year and the year after and five or ten years from now, as well as the immediate twelve-month. Burgin is going to get Myers' trade away from him eventually. That is sound prophesy. To-day while Myers is selling all the radio stuff he can get, because nobody is able to get all the demand calls for, Burgin is already getting his customers away from him.

Poorly Planned Store Loses Sales

Men who bought radio sets from Myers early, are now getting replacement parts and service from Burgin. Men who want to buy new sets are going to Burgin first. Myers is getting the overflow trade. So far that trade is a good deal, but it is not permanent business.

Now, here is why John Burgin is developing a permanent business and getting the best of it, although he did not plunge when he first bought and he did not buy nor equip his store as early as Myers did.

John considered well what he was about. He bought for quality and he sought to establish relations with the manufacturers and jobbers whose reputations he knew. He wanted only supplies that would give the best possible service. And then, which is very important, he equipped his radio department from the ground up for permanent trade.

Instead of hastily throwing the regular stock out of a corner of the store, piling it away, as if for a few weeks or months' temporary change, he rearranged his stock, concentrating and eliminating, until he had a profitable maximum of space available for radio business.

He got the dimensions of all the stock that was to go on the wall shelving and he had his shelves altered to fit the stock, so the larger items had wide shelving that fitted them, while the smaller items had shelving of such width and height as to allow storage in the way that best economized space. This gave him a neat-looking arrangement. He did not attempt to keep his stock of bulky articles right in his radio department. He kept it back in the store room, with only samples in the store for examination.

When his stock was in and he knew what he was going to have and how much space it required, he ordered some new showcases adapted to his new requirements. He bought one case of a size that would just nicely display a complete outfit of supplies for the home construction of a radio outfit.

This made a display case into which a boy could look and check off in his mind each item he knew about from his instruction book. There they all were, every part labelled and a plain price on the label. Just the amount of wire for a proper aerial, the right coil, transformer, condenser, switches, and other parts. The case had adjustable shelves and was wired for electric light. One part of the



Booths containing various kinds of sets, all connected, provide an easy method for display and demonstration purposes. In this fashion it is easy to make the radio department an integral part of the electrical store. It also distributes customers and prevents the crowded confusion that has characterized radio selling in carelessly arranged stores.

case contained the material for an outfit which is about the equivalent of such as sell complete for around \$35. There was a partition and on the other side of the partition were placed the additional parts needed to make that outfit into a \$75 outfit, then another partition, and the parts to add to the two previous displays, to make an outfit that would take messages from a radius of 150 miles.

Helping the Customer Find What He Wants

The customer looking this stock over saw just what was needed for the work he wanted to do. If he had a small outfit and wanted to enlarge it, he could look in the case and see just what was needed to add to his equipment and how much it cost. This display made the case an object of great interest to every mechanically inclined boy and man.

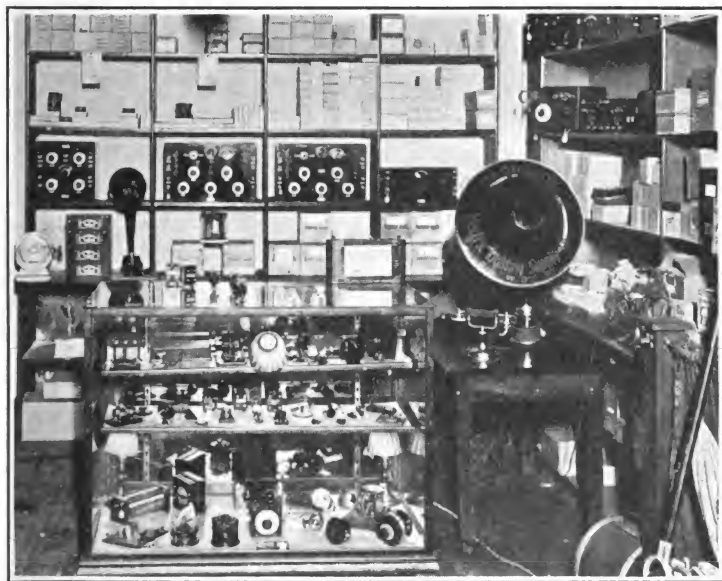
Further, here was the stock so systematized that the inexperienced salesman who was just trying to "get into" the radio business, had the equipment so located that he knew what it meant and what it was for. And further yet, if it was desired to make up a window display along the lines of showing what was needed for an outfit, a clerk not a radio expert could duplicate in the window the stock shown in that case, the price tags and make the display right and do it easily. Burgin kept this case brilliantly illuminated during business hours.

While electrically illuminated showcases may not be needed for many kinds of stock, in the case of a line of goods like radio goods that are so much in demand and that bring in so many customers nowadays, it pays to make the display attract attention as much as possible, so that no one may pass by that case and not notice it. Myers could not display anything with his old packing cases. He would have been little better off with a wooden

counter, though the counter might have been a bit more convenient.

How to Put a Balcony to Work

One thing that Burgin did that helped was this. He had a receiving set operating on a little balcony he built



A good radio set connected up and reproducing signals through amplifiers and a loud-speaker is an advertisement of high caliber. It convinces customers that the electrical store using it is up to date and that it really does carry "everything electrical."

above the wall shelves. It was not much more than a shelf itself, that balcony, but there was room up there for an operator and his outfit and it was easily reached by ladder-like stairs. Up there was the loud amplifier and this was used during the hours when business was lively and there were plenty of people in the store. But there were hours, of course, when it was not worth while

to try to operate the loud talker. During those quieter times the receiving apparatus on the showcase was available for any who cared to stop and put the receivers to his ears. Right in front of this counter outfit was a little card which was inscribed, "Please do not use receivers more than three minutes if others are waiting." A little clock sat by the sign and this request was courteously observed by people who saw others waiting for their turn to listen in.

In order that everyone interested might be shown just how the whole apparatus worked, all the parts of the receiving set installed in the store were kept visible. The customer could be taken outside the door and shown the wire leading in from where the aerial was visible above, to the switch and from switch to tuning coil, to detector, condenser and receiver. This helped in making it easy to explain the apparatus to new "fans." There are many people taking an interest in radio who know nothing about electricity or about mechanics, people who find it hard to understand such matters. The verbal explanation given them means little, even when accompanied by a chart, but show them the whole apparatus, explaining the course of the current as you go, and they grasp it sufficiently.

Burgin, before taking up radio line, had closed his store at six o'clock every day except Saturday. He changed this plan and now keeps open evenings because of the evening radio programs. This is the time when the radio fans are aroused to the greatest interest in their work, and the use of the incoming messages and entertainment features is of great value in developing prospective customers.

What to Do with a Second-Story Room

A New York dealer is using a plan that seems to be successful in creating interest. He had an excellent window display of radio goods and he had rented a room above the

store and placed a receiving set there. From the window of this room, right over the display window, the loud talker threw messages and concert numbers into the street so all who were near the store could hear. In this way he was giving many people their first experience in hearing radio messages. The only difficulty he was having was that the plan was blocking traffic. In order to avoid being ordered to stop the concerts, he discontinued the service at intervals until the crowd would thin out. This gave people a chance too to examine the window display at leisure, if they waited around. Frequently a second-story room can be made a part of the store layout.

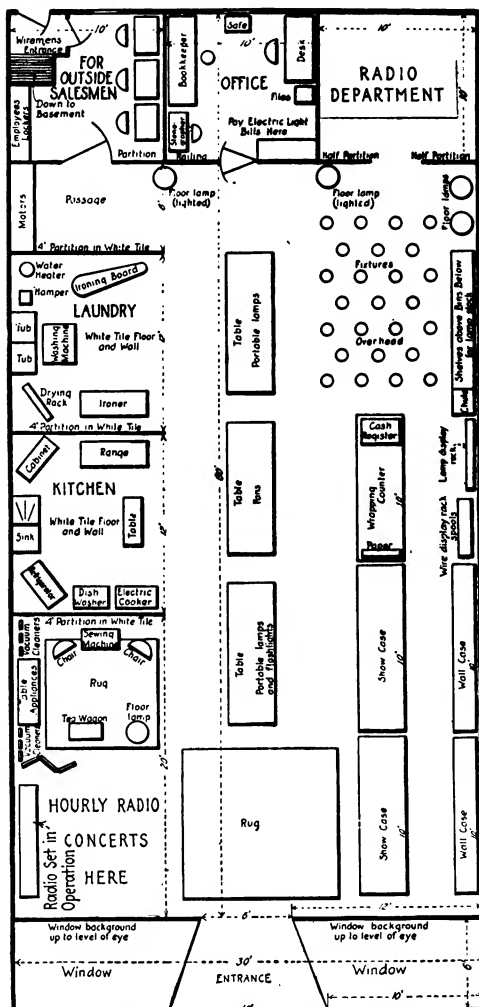
This is a good plan to try right now for new dealers opening up in smaller towns where they are putting in the first radio installation or where there has been no chance for more than an occasional few to become acquainted with the mysteries of radio.

Arrangement in the Narrow Store

John Burgin's plan was simply three new illuminated show cases along in front of his wall shelving, but a hardware dealer, who installed a radio department a few months ago, adopted a plan that has worked very well.

His store was none too wide, but he wanted to give the radio business a good boost at the outset. He had showcases down each side in front of wall shelving. One of these, which was not to be given up to radio, was moved back as much as possible while still leaving room to work back of it. This gave some space. Then he took the showcases on the opposite side and some new cases and formed a hollow rectangular space, an 8-foot case across the front and back and two cases on each side, with a little gap for entrance. This allowed one or more salesmen to work inside of the rectangle, while customers

could walk all the way around and view the contents of the cases.



LAYOUT FOR AN ELECTRICAL STORE

60' x 30'

Requiring an investment of \$3,000
to \$4,000 in store furniture and
fittings

Features—

- Deep windows
- Roomy entrance space
- Display space in front
- Demonstration of all appliances
- Model Kitchen in White
- Model Laundry in White
- Wire display rack
- Lamp display rack
- Chute to basement
- Fixture display at rear
- Radio display booth
- Store office
- Store visible from office
- Light bills paid at office
- Office for outside salesmen
- Rear entrance for wiremen
- Basement storage
- Basement repair shop

Designed by

ELECTRICAL MERCHANDISING

In planning the electrical store arrangement, or layout, it seems advisable to keep the "concert crowd" near the main entrance. Music or any broadcasted feature can then be heard from the sidewalk also. If the radio department is located in the rear of the store, radio customers must then pass through the electrical store twice, thus helping to increase the sale of other electrical goods than radio.

Such an arrangement, one that gives people a chance to go around and out another way leads them to do that and to see a great deal more than the same number of feet of showcase would show them if set end to end in a long row. It is natural for customers to go in one way and out another if the arrangement permits it.

This hardware dealer could not give up all this space to radio goods indefinitely. His other stock was too important. But he could empty certain showcases to use with new ones he bought, and feature radio in the front part of his store for a period of time, sure that even customers who might be a little inconvenienced in the purchase of other goods would be enough interested in radio to make the altered arrangement profitable, to say nothing of those who might in this way become radio prospects.

This dealer was told about the three-minute limit that Burgin used on his receiving set on the counter; and he carried out the same idea in another way. He had plenty of space in the rear of the store and there he put two tables, each supplied with two pairs of receivers and there were two chairs at each and here people were invited to sit down and listen, but he put a card on each table, reading, "When others are waiting, please don't use the receivers longer than five minutes as your turn." A clock on the wall near by gave them the time. If boys or girls showed a disposition to monopolize this service to the discouragement of older people, they were checked up closely on the time, and sometimes a boy asked to give up his turn and wait, when some customer wanted a chance. Of course when the loud talker was in use, it did away with this difficulty.

Where to Put the Wrapping Counter

John Burgin and Ted Myers both recognized one fact in connection with the sale of radio supplies. They

realized that as men and boys would be the chief patrons of the department, they would want as quick service as they could get. They would not want to be delayed in waiting for change and parcels by any complicated cash system. Both installed cash registers right in the radio section thus making immediate change easy while at the same time keeping a separate record of this business. They had a small wrapping counter there where goods could be quickly wrapped and handed right over to the buyer. They had a supply of empty boxes and heavy clasp envelopes to make secure wrapping of certain things easy.

Burgin also installed a little table on which he placed radio literature. Here he had a few reference books which visitors were privileged to look at, each one being attached to the table by a cord to prevent its being carried away intentionally or by accident. There were folders and there were catalogs and two or three scrap books into which he continually pasted magazine articles, short and of timely interest on radio subjects.

At his counter he sold radio books and he found a ready sale for the more elementary volumes. When a man bought liberally, Burgin did not hesitate to give him some suitable book, in order to help him to the information he needed and to gain his continued good will.

The books were kept on a little shelf set on one showcase. They were stocked less for the money to be made on them than for the missionary work they would do in promoting understanding and interest.

The hardware radio dealer made good use of his mailing list in advertising radio equipment. He bought a duplicating machine, that would make imitation typewritten letters and he sent out frequent announcements to his list of prospective purchasers, encouraging them to buy radio apparatus, and he kept a list of those already owners

and to them he sent letters telling about new parts, improvements and additions. Good duplicators are to be had that do work almost if not quite equal to typewritten work, allowing the filling in of names and addresses to give an individual appearance.

The dealer who wants to make a permanent thing of the radio trade, and that is the only way it should be taken up, ought to equip his store as carefully as he can. Let him not be satisfied to take business that comes without effort. Let him lay the foundation for the largest possible continued trade by fitting and arranging his store to be the master salesman on his payroll.

CHAPTER VI

WHAT KIND OF RADIO STOCK AND HOW MUCH?

PERHAPS the most important thing in maintaining a radio department is the correct purchasing of apparatus. The merchandise should be bought of responsible radio manufacturers. The dealer will find that the well-established manufacturer will not cut prices or sell direct to the consumer, as many of the smaller ones do. The established concern's aim is always to protect the dealer and to keep his good will, just as the large well-known electrical manufacturer does. Then, too, it will be found that the reliable firms will stand behind their dealers in the absorbing and remodeling of such apparatus as may go obsolete on the latter's hands and will give prompt attention to any instruments which may prove defective.

The dealer should be careful not to overload his shelves with many expensive cabinet sets for he will find that this sort of equipment does not move as fast as less expensive sets and parts will. The average amateur still derives a great pleasure out of building his own set in his spare time. This is all the better for the dealer, for the fellows who "build their own" are forever changing and improving their sets. There is a larger margin on parts than on the assembled sets.

One must not take from this, however, that there should be no cabinet sets stocked at all. That would be as grave a mistake as if too much of this material were to be carried. There is a certain class of trade interested in radio that will not take the time or trouble to build a set but which is willing to spend twice as much for the

sake of having a good-looking, up-to-date, commercial type set. These are the fellows who look upon their instruments as a piece of furniture.

It is also a good plan not to carry too much transmitting equipment. In order to be allowed to use a sending station, the amateur must pass an examination and as this is not possible until he can copy eight or ten words a minute he must necessarily have a receiving set first to get his practice on. There are also a lot of men who will spend hundreds of dollars developing their receiving stations but who care nothing about transmitting and will not be bothered with a sending set.

What Makes a Well-Balanced Stock

The writer would suggest the following instruments for live dealers to carry in stock at all times. They will make a good, representative line and are all quick and profitable sellers.

- Loose couplers—A few medium priced ones.
- Tuning coils—A few medium priced ones.
- Variometers—Molded, several.
- Variocouplers—Molded, several.
- Head 'phones—Two kinds, some cheap and some high priced.
- Twenty-one plate variable condensers—Several.
- Forty-three plate variable condensers—Several.
- Fixed condensers—Several.
- Short-wave regenerative sets—One or two.
- Long-wave regenerative sets—One only.
- Binding posts—A good assortment.
- Aerial wire—Hard-drawn copper and some stranded.
- Aerial insulators—A few electros and several two-wire cleats.
- Grid condensers—Just a few.
- Grid leaks—Just a few.
- Audion detector bulbs—Several.
- Audion amplifier bulbs—Several.
- Audion transmitter bulbs—A few.
- Panel rheostats—Several.

Audion sockets—Several.

Audion control panels—A few low priced ones.

Switch points—A good quantity.

Small level switches—A few each, assorted sizes.

Amplifying transformers—A few only.

Crystal detectors—A few only.

Galena crystals—A few only.

High-voltage batteries—22½ and 45-volt.

With this background, the radio dealer or prospective dealer probably wants to know what kind of stock and how much can be purchased for various amounts, such as \$500, \$1,000, and \$1,500. In the specimen stock lists that follow, no specific make of apparatus is mentioned, that is, manufacturers names are not inserted. The dealer (we stress the point again), should constantly keep in mind the wisdom of buying as largely as possible from established and responsible manufacturers and jobbers. Dealers should keep in close touch with their jobbers, as they will often be able to give better deliveries than the factories, and may even be able to offer a better discount.

Stock List for \$500 Investment

For a small dealer, with limited capital, the stock opposite, costing about \$500, is suggested.

This, of course, is a very limited stock, and will need careful attention in ordering so that it may be kept up properly. The "B" batteries, antenna wire storage batteries, and insulators can be had at any time on short notice but a delivery period of from four to six weeks is required on practically all of the other material.

Tubes, batteries, antenna wire and insulators, as well as head 'phones will be sold with each complete set, so it would be advisable to carry a back order with the jobber at all times for this equipment.

The crystal set although satisfactory to a beginner, or a child, will not keep the owner satisfied very long, so that

3 Regenerative receivers with VT control, list \$37.50, cost \$28.13.....	\$ 84.39
2 2-step amplifiers, list \$58.00, cost \$43.50.....	87.00
2 Loud-speaking devices, list \$45.00, cost \$32.75.....	65.50
1 Regenerative receiver with VT control, list \$80.00, cost..	60.00
10 Detector tubes, list \$5.00, cost \$3.75.....	37.50
10 Amplifier tubes, list \$6.50, cost \$4.93.....	49.30
5 43-volt "B" batteries, list \$5.00, cost \$3.00.....	15.00
5 22½ volt "B" batteries, list \$2.00, cost \$1.20.....	6.00
3 Receivers, list \$15.00, cost \$12.00.....	36.00
20 lbs. No. 14 hard-drawn antenna wire, list 40¢ lb., cost 25¢.	5.00
20 Insulators, egg-type porcelain, list 20¢, cost 10¢.....	2.00
8 80 amp. hour storage battery, list \$20.50, cost \$13.33.....	13.33
1 60 amp. hour storage battery, list \$17.50, cost \$11.38.....	11.38
3 VT sockets, list \$1.00, cost 75¢.....	2.25
3 Rheostats, list \$1.50, cost \$1.13.....	3.39
2 Amplifying transformers, list \$5.00, cost \$3.75.....	7.50
1 23 plate condenser, list \$3.50, cost \$2.63.....	2.63
1 Crystal set, list \$25.00, cost \$18.75.....	18.75
Total.....	\$506.92

in selling this a double sale is made, for the purchaser will soon be back for a vacuum tube set. Most people will desire a set that may be heard by a large gathering or several people at least, without the bother of head phones. These people should be sold a two-step amplifier and loud speaker, which will make the radio concerts as loud or louder than a phonograph.

Every person buying a vacuum tube receiver is a live prospect for an amplifier and loud-speaking device. Try to sell him on the spot, when he gives the order for the receiving set. If this is impossible put him on your mailing list and keep in close contact with him in the future. Vacuum tubes will always be in big demand. All these sets being sold now will eventually require new tubes. Customers are sometimes careless and will burn out their tube by lighting it to too great a brilliancy or by connecting the 43-volt battery where the six should go.

When this happens, of course, there is nothing to do except to go back to the dealer and purchase another tube.

Stock List for \$1,000-\$1,200 Investment

"B" batteries are quick sellers also as they must be replaced every eight or ten months. For the dealer with small capital the following stock costing about \$1,000 is suggested. This can be increased to about \$1,200 by enlarging the quantities of certain items such as tubes, head phones, etc.

6 Sets, list \$37.50, cost \$26.25.....	\$ 157.50
3 2-step amplifiers, list \$58.00, cost \$43.50.....	130.50
3 Loud speakers, list \$45.00, cost \$32.75.....	98.25
1 Receiver, list \$80.00, cost \$60.00.....	60.00
1 2-step amplifier, list \$55.00, cost \$41.25.....	41.25
20 Detector tubes, list \$5.00, cost \$3.50.....	70.00
20 Amplifier tubes, list \$6.50, cost \$4.50.....	90.00
10 43-volt "B" batteries, list \$5.00, cost \$3.00.....	30.00
5 22½ volt "B" batteries, list \$2.00, cost \$1.20.....	6.00
6 Pair head 'phones, list \$15.00, cost \$12.00.....	72.00
12 2000 ohms head 'phones, list \$6.00, cost \$4.20.....	50.40
20 lbs. No. 14 wire, list 40¢ per lb., cost 25¢.....	5.00
20 Antenna insulators, list 20¢, cost 10¢.....	2.00
3 80 A H Batteries, list \$20.50, cost \$13.33.....	39.99
1 60 A H Batteries, list \$17.50, cost \$11.38.....	11.38
6 VT sockets, list \$1.00, cost 75¢.....	4.50
6 Rheostats, list \$1.50, cost \$1.13.....	6.78
3 Amplifying transformers, list \$5.00, cost \$3.75.....	11.25
2 23 plate condensers, list \$3.50, cost \$2.63.....	5.26
1 Variocoupler, list \$6.00, cost \$4.50.....	4.50
2 Crystal sets, list \$25.00, cost \$18.75.....	37.50
1 Set, list \$125.00, cost \$93.75.....	93.75
1 Amplifier, list \$85.00, cost \$63.75.....	63.75
Total.....	<hr/> \$1091.56

And a \$1,500 Stock List

To this list may be added the following material making a \$1,500 stock:

1 Receiver, list \$250.00, cost \$177.00.....	\$ 177.00
6 Variometers, list \$6.00, cost \$4.70.....	28.20
1 Loud-speaking amplifier, list \$80.00, cost \$60.00.....	60.00
2 5-watt tubes, list \$8.00, cost \$6.40.....	12.80
3 100 A. H. Batteries, list \$25.50, cost \$16.58.....	49.74
3 43 plate condensers, list \$4.00, cost \$2.80.....	8.40
3 86 volt batteries, list \$9.00, cost \$5.40.....	16.20
6 Pair head 'phones, list \$8.00, cost \$6.00.....	36.00
6 Crystal detectors, list \$1.50, cost \$1.05.....	6.30
200 Binding posts.....	15.00
500 Contact points.....	15.00
100 Tested crystals.....	15.00
Total.....	<hr/> \$439.64

The loud-speaking amplifier may be sold to someone desiring a set for a club room or for use where it must be heard in a large auditorium. It can be used with any of the vacuum tube sets included in the stock list.

The 5-watt tubes and the 86-volt batteries are needed to operate the set and will probably be sold with same.

This last stock list would be very suitable for the department store, music store or sporting-goods establishment. These lists will give the dealer a very good start and by careful attention to what is called for he will soon learn of other articles to add to his stock to meet the particular needs peculiar to his locality.

It will be noted that no sending apparatus appears on these lists. That is because the demand is mostly for receiving apparatus and because it requires radio experience to sell transmitting equipment.

How Should the Jobber Buy?

But there is another stock-buying problem to consider.

What about the larger electrical jobber whose trade is clamoring for radio and who finds that he must stock this greatest of all electrical material? He's the fellow who is "up a tree" worse than anyone else, for he must be able to select a stock of material that will move fast. Though he may find many men who thoroughly understand radio, there are few men indeed who both understand radio and merchandising at the same time. They must learn through experience. Here is the stock purchased by a real live jobbing house:

- 200 Receiving sets
- 200 Crystal sets
- 500 Radio loud-speaking devices
- 25 Receiving sets
- 20 Amplifiers
- 20 2-step amplifiers
- 20 Receiving sets
- 20 Receiving sets
- 50 Amplifiers
- 10 Loud-speaking amplifiers
- 1000 Detector tubes
- 2000 Amplifier tubes
- 100 43-volt "B" batteries
- 100 22½-volt "B" batteries
- 10 86-volt "B" batteries
- 50 60-amp. storage batteries
- 50 80-amp. storage batteries
- 50 100-amp. storage batteries
- 1000 2000-ohm head 'phones
- 1000 Head 'phones
- 500 lbs. No. 14 bare wire
- 500 Antenna insulators, egg type
- 1000 VT sockets
- 1000 Rheostats
- 1000 Amplifying transformers
- 100 23-plate condensers
- 100 43-plate condensers
- 100 5-watt tubes
- 50 Variocouplers

100 Variometers
1000 Binding posts
5000 Contact points
1000 Tested crystals

Of course there are many items that may be added to this list, which would cost the jobber about \$65,000, subject to discount. By studying the catalogs of responsible manufacturers the jobber should be able to select what he desires. The stock will have to be watched very closely and new orders for apparatus placed every day practically, for dealers will depend on the jobber, once they learn that he has a good stock. It is even advisable to place blanket orders with the manufacturers and have a certain amount shipped each day or week.

For the toy department of a department store the \$500 stock list previously enumerated, would be best. It will be found that the crystal receivers and the lower priced sets will be the best sellers here. The majority of sales will be to youngsters who desire it as a toy. The electrical contractor dealer should carry a more assorted stock, as in the \$1,500 list. He should be able to make a good profit on his wiremen, by letting them install and put up the aerials for his customers. The average man with enough money to buy a high-priced set does not wish to be bothered with this matter, but will pay a good sum to have the aerial put up for him. The shops foreman should study aerial construction so that he may properly instruct his men.

The house that goes after this business and advertises a little will have all the work it can handle for the sets sold by department and music stores, as well as by sporting-goods houses, will all require aerials, and these houses since they have no facilities, naturally will not be able to do the work but will be glad to refer their customers to the nearest electrical contractor.

Who Should Stock Only Assembled Sets

Music and sporting-goods stores and auto-supply houses should stock only assembled sets. Their trade will want sets to take to their mountain camps or on auto trips where they may be a hundred miles or more from the nearest broadcasting station. Of course the vacuum tube sets are the only thing for this sort of reception and crystal sets should not be sold, as they will not do the work. Accessories for these sets, such as vacuum tubes, storage and "B" batteries, headsets, loud-speaking and amplifiers may be stocked. The music and phonograph stores should only stock sets to operate with a loud speaker.

When a dealer is placing his first order and it is possible for him to put confidence in the manufacturer or distributor, and the latter has already supplied the district in which the dealer's activities are to be centered, it will be found very much to the dealer's advantage to let the manufacturer suggest just what should be bought. This practice is followed by the Eastman Kodak Company, when a dealer wishes to handle its line of cameras and it has proved satisfactory. Several large and several small dealers in kodaks when questioned on this matter, have been found unanimous in their approval, even though at the time the order was placed some of them thought some of the items would be absolutely useless and that the aggregate was above what they had figured on, but in every case there was found only ultimate satisfaction. The reason for the practice is, of course, that the manufacturer has done the same thing many times before and knows that there will be a call for items which the dealer would have failed to list.

CHAPTER VII

WHERE TO LOOK FOR RADIO CUSTOMERS

"WHERE do you look for radio customers?" the manager of a large radio department in a big city was asked. With a quiet smile, he replied, "Why man alive, we don't look for them. They come to us. Surely it doesn't require much exercise of the imagination to tell where to find radio customers."

There were eight men in the department beside himself and at the time all eight were busy with customers.

The manager went on, "All we have done was to advertise that we sold radio sets and the customers have come. But from the various customers we have sold I can tell you where to look. I'll simply tell you of a few installations we have made of sets we have sold and let you draw your own conclusions.

"A month ago," the manager went on, "the city council passed an appropriation for the installation of sets in five fire stations in various sections of the city. The discussion that preceded the vote proposed the installation for two reasons, one from the standpoint of actual utility and the other from the standpoint of relaxation and entertainment for the firemen themselves. You can easily see how welcome the innovation would be to men who were constantly on duty and confined by the nature of their work to so small an exercise and recreation space. The experiment has been so successful that sets for every one of the stations are now being considered. In fact the men themselves, in the stations which have not been

supplied, have offered to club together to buy and install their own sets. See the possibility?

Police Department

“Our police department stations have all had receiving sets installed. This was covered by special appropriation on the basis that it would aid in the police work of the entire country. For instance, it could be broadcasted from New York City that a certain criminal had escaped. The police in the large centers and even into many innermost rural districts could be simultaneously warned. Complete description could be given. In one operation the work would be done.

Hospitals, Too

“Just last week the superintendent of the John Carroll Memorial Hospital purchased a powerful set for installation in the convalescent ward. A room had already been fitted up as an auditorium. The set had been installed and convalescent patients have been enjoying its use for the last couple of days. The superintendent further told me that plans had been made for broadcasting lectures by famous physicians and surgeons. It was part of the plan that doctors, internes and nurses were to receive, regularly, constructive talks on various phases of their professions. The plan is comprehensive enough to include the smallest outlying rural hospitals.

“One large concern, with 389 branch houses in various sections of the country is considering the advisability of installing receiving sets in each branch. The plan is to broadcast, at a certain hour every day, sales instructions and various messages of general information to all of their branches simultaneously. Plans include meetings of all salesmen on Saturday afternoons for sales talks, advertising promotion and other subjects.



Hospital wards and convalescent rooms and porches offer a market for a set or two, not to mention extra "head-pieces." In this hospital patients are listening to a Sunday morning service in a church many miles distant.

Boats, and Clubs and Hotels

"One steamship company operating seven boats on the Great Lakes has equipped every boat with receiving sets and amplifiers. We have also sold sets to tugboats.

"Naturally, dealers who are looking into the radio field for the first time think only of home installations. But we have found that that is the smallest part of our actual market. We have had at least a dozen persons in here in the last two weeks looking for sets which they



Waiting while your shoes are shined is tedious work at best, and the customer as a rule, stares vacantly at the ceiling. A radio set has been installed by an enterprising bootblack of San Francisco. One wonders what happens when the national anthem is played.

could buy and install at reasonable cost in their summer cottages. We have supplied several summer hotels with sets. We have sold them to schools and Y. M. C. A.'s for educational purposes. A certain boat club has installed a splendid set. Three of our leading hotels and two restaurants have purchased their sets from us and without solicitation. One yacht club and two automobile clubs are contributing to the entertainment of their mem-

bers with regular programs taken from the air. We have sold to orphan asylums and other charitable institutions. And, this may amuse you, we sold John Karokis, a set for his ten-chair shoe shining parlor.

"Bear in mind that these are much larger and better sales than the average home sets we sell. The sets are



To brighten up the lives of their crews, members of the New York Towboat Exchange have installed radio telephones on some of their craft. Instead of listening to the monotonous "chug-chug-chug" of the engine all day long, the crews will be entertained with music and humorous stories, and on Sundays, perhaps may hear a sermon if they wish. Every dealer can find a similar "unexpected" market for radio, if he has eyes to see it.

higher priced. They include amplifiers and all the trimmings that make for the best service.

"I could go on for an hour and without repeating tell

you of the unlimited possibilities for radio sales. I am really ashamed to say that in this department we have not scratched the surface. The business is developing so rapidly along normal lines, without pushing, that we are hard put to keep up with it. Everywhere you look, within the bounds of intelligent imagination there is a prospect for the sale of radio sets. Church organizations, literary societies, libraries, clubrooms, lodge rooms, industrial organizations—why, do you know there is one firm in this city which employs upwards of 1,250 people in its general office that claims that within the two months since the installation of a high-quality receiving set they have increased the efficiency of their workers at least ten per cent. It has paid for itself twice over. The largest public dance hall in the city is now using radio as one of its biggest advertising and drawing features. The management has discontinued the use of the claptrap favors usually distributed in such a place and the receipts have been growing steadily every week.”

There is a market for radio! Not only in the city but in every nook and corner of this big country. And what a market! If one looks around him he will be amazed at the sales opportunities he can find, despite the passing of the “craze.”

In Small Town and Village

About a week after the talk with the big store manager, the writer walked into a general store in a little Iowa town about two hundred and fifty population. While waiting for the proprietor to finish with a customer, he took stock of his surroundings. One whole corner of the store was taken up with radio sets and supplies. Evidently here, too, was a dealer who believed in the future of radio.

When the dealer had finished—and you could tell he was a man who made his living by barter and trade in a

rural community—the same question was put to him. And he smiled too when he answered, “Well, to tell the truth, I haven’t looked much. Somehow I just knew there was bound to be a demand for sets. You see I got interested myself. And I knew that what interested me would interest the other fellow. When I put radio in I knew it would sell. And it has.

“Why every farmer in this hog-raising, corn-growing country wants radio. He wants the same entertainment and amusement his city brothers have. He wants the prices on grain, livestock and produce. Radio gives it to him. It gives him something to do in the evening. It will help him keep his boys and girls at home, on the farm, satisfied. Radio is just one more of the modern conveniences that brings him all the pleasures and advantages of city life and still allows him the health of his open-air farm life. It does more. It helps him run his farm on a strictly business basis by giving him quicker, surer communication with the outside world.

“Yet while the farmer offers me a big field he isn’t the only prospect I have. For instance we have a mighty progressive woman’s club in our little village. They have already bought a set and for want of a club room of their own have installed it in the parlors of the First Presbyterian Church. I suppose if they hadn’t bought it that I could have looked to the young people’s society in the church, sooner or later, to buy one of their own.

“Before the Woman’s Club bought their set—they raised the money, through a couple of suppers, to buy a good one—they considered putting one in the village library.

“I expect to sell fifty receiving sets of various kinds in the next six months. And after I’ve sold all my little community will stand, I’ll still be making a profit on the supplies. Then there is a prospect of repeat business in

radio too, that mustn't be overlooked. I find that some of my people are already wanting a better set than the one they have. It only takes a little while for them to realize that the most pleasure can be gained from the use of stronger sets and once they get interested they want the best.

"I took on radio in this general store because I felt that there was a big field for it. And most of all I took it on because I could see that the mail order houses couldn't take all the business away from me. They may sell receiving sets to people who trade with me, but they can't sell the supplies and they can't sell the repairs. When a man wants radio parts he wants them right away. He doesn't want to wait, even a day, for parts to come from the city. His set must be in working order for the time and a matter of a few cents that he might save doesn't make any difference.

"Yes, the big reason why my customers will trade with me instead of with the mail order houses, is because radio is a business that requires real service. It didn't take me long to find out that to keep up with the business I had to keep up on radio. When my customers want information, they want it right away. And they would rather have it direct from me than by mail from someone else. It's hard for the average man to keep up with radio. And about all the average man wants is to know that his set is in working order and that he can depend upon someone close at hand to help him keep that way. Nine out of ten of the men that come in here are interested in radio but only about one out of the nine knows anything about it. I have to keep up so that I can tell him."

Mr. Barnard, the proprietor, went on to say that because every man who entered his store was interested in radio he considered him a potential buyer, but not alone the men—the women as well and the children in par-

ticular. Through them he had started the idea of saving money for the installation of a fine receiving set for the standard school outside the little town and had likewise interested their farmer fathers in helping them out.

The village pool room had also been approached by him with the idea of receiving early returns of sporting events.



Washington, D. C., schools were among the first schools to realize the importance of teaching radio along with the many other studies. The physics class, Central High School, were photographed while they were receiving the daily radio messages sent out from the Bureau of Standards.

This set would have been installed had he not previously sold a set to the weekly newspaper that circulated through the county. The paper he considered in duty bound, as a part of its service to the community, to render an up-to-date radio service. He sold the set on that basis. "I explained to them," he said, "that as long as first-hand news could be had, it wasn't fair to the readers to make them wait a whole week for news or to depend upon outside city papers for old news.

Why the Farmers Want Radio

"And," he concluded, "Radio surely means big things for us, here in the country. We used to count the distance to the big cities in miles. Now we count it in minutes. Motion pictures and automobiles went a long way toward putting us on a par with town folks for entertainment and education but radio will finish the job."

Where the Market Will Grow

The fact that there is a market for radio assures its future. An assured future means an even more rapid development toward the perfection of radio apparatus than ever before. And as radio itself is improved the scope of the market will grow even wider.

This was brought out forcibly by an executive of a large business house.

"When," he said, "radio with the start it already has, receives the further thought and scientific development of the next few months it will be completely adapted for many kinds of commercial enterprises that do not employ it as yet. It will become as necessary as transportation. It will be communication personalized. There will be no limit to its use. In a few years it will be impossible for big business to get along without radio telephony just as it would be impossible for it to get along without the telephone and the telegraph to-day. Science is working toward the end of excluding all waves sent on a certain wave length with the exception of the one desired by the receiver. Some day this will be fully accomplished. This is the all-important feature of commercial enterprises. It does not matter so much that others can listen in. Doubtless that will be solved also. And when private communication can be established, business will actually give radio its biggest impetus. Big firms will talk to their branches and their salesmen. Jobbers will

talk to retailers. Brokers will talk to their clients. The possibilities are unlimited. While the sending outfits will no doubt be installed by experts from the big companies, the receiving sets will be sold by the dealers right on the field."

It requires no stretch of the imagination to conceive of a medical or dental school maintaining a lecture service to its graduate students throughout every section of the country. Such plans are already more than talk. Steps have already been taken in that direction. Complete



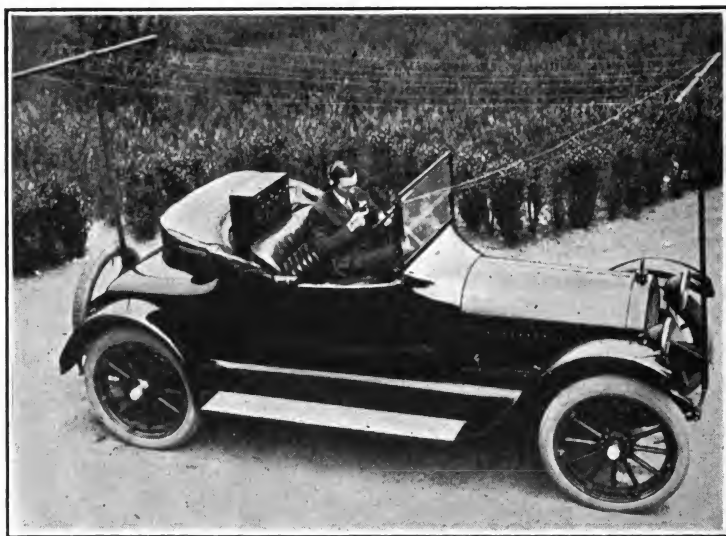
When the chores are all finished a long evening may be a tiresome evening for the farmer, unless he owns a radio set. Because of the government's wireless news, time, and crop reports, farmers are excellent prospects for complete and easily operated receiving sets. And the farmer's boy will buy "parts" for his own evening's tinkering.

courses can be conducted. Doctors and dentists interested in keeping up with their professions will subscribe to such a course. And merchants everywhere will supply the doctors and dentists with receiving sets.

Note carefully the literature sent out and distributed by leading radio manufacturers. See how little they are given to romancing about the sales possibilities of radio.

They talk cold facts about the market. They have plenty of facts to deal with.

Another angle that must not be overlooked is the possibility of formal education in other than professional lines. Is it not practical to think of institutions offering courses in certain subjects generally to the public? Here again the public presents definite sales prospects—people who would not be interested in installing radio sets for



Even the vacation-time automobile tour becomes all the more fascinating when the radio tourists can, at any point enroute "listen in" on the busy messages of the commercial and maritime world threading the ether all about them. The picture shows such a radio-equipped car. The automobile engine drives the 500-volt direct-current generator which supplies energy to the radio set.

entertainment alone but who would for utility's sake be very much in the market. One of the country's leading correspondence school educators declared not long ago that his institution was looking forward to the time when it would be practical to extend their work into radio activity.

With radio, as a science, nothing is impossible. With radio, as a business, nothing is impossible. The field is too broad for it to be necessary to set down in list form the many prospects. But even a brief summary emphasizes the opportunity for the radio dealer. For educational and entertainment sales; every American home, schools and colleges, students of schools and colleges, Y. M. C. A.'s and welfare organizations, hotels and restaurants, hospitals and institutions, pleasure clubs of various kinds, summer resorts and resorters, commercial firms that do welfare work for employees, lumber camps, and fishing and hunting camps. For commercial and governmental sales; business houses and their branches, farmers, police departments, fire departments, theaters, dance halls that install receiving sets for advertising purposes, newspapers and news receiving bureaus in general, amusement parks that install receiving sets as a paying feature, and railroad and steamship companies that include radio as part of their service.

Simply looking over such a list will suggest many unlooked-for possibilities to the far-seeing radio dealer. And dealers with enthusiasm born of confidence and good business sense are, every day demonstrating how easy it is to find customers.

CHAPTER VIII

HOW SHALL THE DEALER ADVERTISE RADIO?

PERHAPS the most important thing for the dealer to remember in advertising radio is that radio is still a novelty,—a specialty. It is in the same class with the phonograph and motor car of years ago. Much like the automobile, its converts begin with the modest little “flivver” set, and work upwards toward the goal the “twin-six” outfit with a range of a thousand miles and more. And, unless, an unkind fate intervenes in the form of the Government, or something else, radio purchasers of to-day have only just made their first deposit on the business they are going to bring to their dealers in the days to come. So it will be well to examine now some errors which are seen cropping out in the general run of radio advertising.

The most fundamental error in radio advertising, and selling, is in talking the machine—the outfit, the purely mechanical side, instead of the idea of pushing what radio means to the “listener-in,” particularly. In a word, the great object of radio advertising should be to sell *entertainment*, not variable condensers, vacuum tubes, amplifiers, and whatnot, but the delights of radio entertainment.

Study over scores of radio pages and electrical pages devoted more or less to radio in certain leading newspapers, and you will find that few and far-between are the advertisements of retailers who sense this point. Too many are still making the common electrical mistake of

Useful Information

THE most wireless telephone programs are broadcasted absolutely free of charge. The only requirement to enjoy them is to own a receiving set. Once you have secured a set you have years of entertainment ahead of you without additional expense.

MANY people think an expensive aerial (or antenna) is required. This is absolutely wrong. Expensive towers are only used for commercial transmitting stations. All that you need to receive the broadcasting is a single or double wire aerial 50 to 100 feet long and 10 feet or more from the ground. You can swing your aerial across the roof of your house, or from one corner of the roof to any convenient tree, pole or other structure. Clearly written instructions are included in all Continental outfits so that you will have no trouble in erect your aerial properly in a short time.

WIRELESS TELEPHONE broadcasting is not a job, neither is it a highly technical subject, requiring expert knowledge. The modern, complete sets shown here require no previous experience in operating successfully. There is no danger, no intricate adjustments, no unsightly apparatus. No license is needed for a receiving outfit. With such a receiver sets you don't even need a battery or other source of current. In fact, it's no more trouble to enjoy the wireless telephone than to listen to your phonograph or ordinary telephone.

THE term "wave-length-range" has nothing to do with the range in miles. Wave-length is simple to understand. Messages from the transmitting stations are sent in the form of waves of electrical energy. The actual length of these waves may vary from 140 to 35,000 meters. To receive a broadcasting station which you know transmits on a wave-length of 140 meters, you simply tune your receiver to 140 meters. You should then receive only that one station. To receive stations tuning on a longer or shorter wave-length, simply adjust your receiver accordingly. Every receiving instrument has a certain wave-length-range, which means that it responds to all wave-lengths within those limits, provided, of course, the transmitting stations are within the range in miles of the receiving apparatus. The different wave-lengths make it possible to send different messages at the same time without undue confusion.

THE range in miles depends on the power of the transmitting station, the character of the waves, and local conditions. This makes it impossible to specify the exact range in miles of any particular outfit. Continental outfits, however, are made to receive from your location and distance and allow you to tune the selection of no outfit to meet your conditions satisfactorily.

It is common to the five complete outfits shown here, the Continental complete outfit built around the 40 Vacuum Tubes set for \$275.00, the Clap Eastern type for \$225.00, the Clap Western type for \$225.00, the Clap Southern type for \$225.00, and the Clap Northern type for \$225.00. These complete outfits are up to several hundred meters.

FOR more advanced amateurs, those who want to go into the subject of radio thoroughly, we have prepared a "Modern Radio" Two explains in great detail the theory and practice of all types of both receiving and sending stations. It also lists complete sets, materials and parts of necessary, every leading manufacturer. Send for the free copy.

MAIL ORDERS

FOR those who have not far away to visit the Continental store in person, we maintain an efficient mail department. All of our merchandise is shipped, by express in one day of the United States. Continental's mail order service is needed throughout the country for

ACCURATE SPEED COURTESY

MAIL ORDER DEPT.

11 Warren Bldg. New York City

FEDERAL, JR., is a complete crystal detector set especially designed to receive the broadcasting. Within twenty-five or fifty miles of a big broadcasting station, its results are unequalled. It is simple to operate and requires no batteries or other source of current. Federal 2200 also headphones are included with the instrument. To make a complete outfit which requires no additional accessories, Continental includes with the set the No. 1 antenna equipment. This outfit 200 ft. of aerial wire, the antenna insulator, a ground clamp and a lightning-rod. The entire outfit which you can install and put into actual operation in two hours or less by only \$27.00.

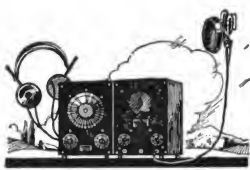


TWO AMPLIS, JR., is a vacuum tube detector set for those who want longer range and stronger signals. Includes vacuum tube adjustment. Amplis, Jr., without technical knowledge. Vacuum tube amplifiers and a loud speaker may be added at any time without altering the design. Warranting quality throughout. The price includes one vacuum tube, batteries, brand phone and antenna equipment. No additional accessories are required.



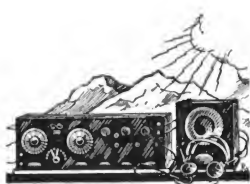
THE WARMHOUSE RC SET is a high grade regenerative receiving outfit with a natural range of at least 150 miles from a broadcasting station. The Continental complete outfit built around the RC receiver includes:

RC Receiver	.....\$112.50
Vacuum Loud Speaker	.....16.00
1 set of Federal phones with plug	.....9.25
1 Vacuum Tube	.....18.00
1 40-watt 40-50 ampere hour storage battery	.....17.50
Eveready "B" Batteries	.....12.00
Continental No. 1 antenna equipment	.....20.00
This equipment forms a complete outfit for reception for	.....\$219.25



THIS SLENDER outfit is composed of three, seven units throughout. It has a normal range of several hundred miles from a broadcasting station. The actual work of installation has been reduced to a minimum. Simply erect your aerial, make a simple ground connection, insert tubes, hook on batteries and you are ready to listen. The entire outfit is composed of:

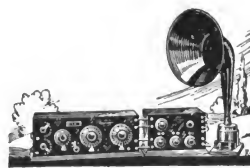
1 Circle CRV Receiver	.....\$156.00
1 Vacuum Loud Speaker	.....15.00
1 Vacuum Tube	.....18.00
1 set of Federal phones with plug	.....9.25
1 Eveready "B" Batteries	.....12.00
1 40-watt 40-50 ampere hour storage battery	.....17.50
No. 1 antenna equipment	.....20.00
The outfit outfit ready for installation.	.....\$241.75



FOR those who want the ultimate in wireless telephone receiving sets, we offer this Paragon combination:

Paragon RA Ten Regenerative Receiver	.....\$ 71.00
Paragon DA 2 Vacuum Tube Detector and Tuning Amplifier	.....45.00
Radio Magnavox	.....45.00
1 set of Western Electric phones	.....15.00
1 Vacuum Tube	.....18.00
Eveready "B" Batteries	.....12.00
1 40-watt 40-50 ampere hour storage battery	.....17.50
1 General Radio antenna series combination	.....15.00
Continental No. 1 antenna equipment	.....20.00
	.....\$271.00

Quality and length of service considered, we recommend this set as the best buy in radio today. The total investment of \$271.00 will give more value and satisfaction over years of service than less expensive outfits.



A simple but complete description of a set, and a definite statement of prices, when combined with "Useful Information," makes an effective folder for direct advertising purposes. Such a "layout" in the long run is far more effective than one crowded with numerous type faces and lengthy admonitions to "buy now."

talking "shop," the old story of watts, ohms, amperes, volts and whatnots is being repeated. Do not forget the technical side, the professional buyer, but if you want to make big money as a radio dealer, cater to the don't-know-a-thing-about-it-but-I'm-going-to-have-it class. Start your advertising plan and campaign off on this basis as the first step.

Several dealers employ boys to talk to boys—that is, young fellows who not only can talk radio, but can go out and sell their fellow students or pupils on it. Many a man is working his way through college to-day selling radio.

Stimulate the Buying Impulses

Advertising of any kind is just printed salesmanship. Hence, if you can, engage somebody to write your radio messages who can stimulate the buying pulses of your prospect. One good radio campaign was conducted by a dealer to school boys, to whom he offered prizes and *jobs* for the winners of an essay contest. The newspapers took the contest up, printed the essays, and Mr. Dealer reaped great publicity that cost him nothing. Some of those "radio-grams," written by boys hardly old enough to press a key, were masterpieces for bringing in business. They might not have been correct grammatically, but they paid. Some "ads" fail utterly to stimulate a single buying impulse in the reader.

Some dealers have plunged into advertising before they were stocked with the goods, and before they were ready to sell. When it comes to advertising, don't get the cart before the horse and go into print before you are ready. If you haven't the goods and must advertise, go out and tell the story to your trade, use goodwill and prestige-building copy and all that, but sell your prospects on the idea of *waiting for your goods*.

Advertising takes many different forms, and if you seriously intend building radio business you must consider them all; printed and spoken advertising, display in windows, store, demonstrations public and private, and so on. It is best to take time to map out your plan of action beforehand—then see it through to a finish. The amount and kind of your advertising must be regulated largely by your own business, the size of your markets, your competition, the buying power of your community and your ability to fill orders.

Back Up the Advertising with Real Salesmen in the Store

Be ready to back up your advertising with your salespeople and your sales arguments. Go into many radio stores and you will find a lot of curiosity seekers and some customers stalled on the road to the order-book by some “nut” professional (?) who is taking up the salesman’s time with his favorite technicalities. Be wary of this sort of thing. Plan as did the Manhattan Electrical Supply Company and the New York Wireless Telephone Company, to have your store fronts given over to receiving and selling the “fan” amateur, and the rear space reserved for the “nut” who can if necessary be passed on to a “nut” salesman. It is of no use to advertise, if your salesfolk are not going to turn inquiry and interest into orders and profit.

A certain successful radio dealer put his whole case into the hands of his local newspaper’s advertising department. They prepared his advertising, using manufacturer’s co-operative cuts and aids. They gave him a lot of publicity-news notices. Radio *is* news, and if the dealer can dig up interesting news facts, his paper will thank him for them, and incidentally give him a lot of publicity in exchange for the tip. Do you know any radio stories? Do you grab anything special, different, unusual out of

the ether? If so, pass it along to the editorial department of your paper and see what happens. You can not bribe it with fake news and "write-ups" about yourself and your business, but you can help it tell the story of radio to its readers. Wanamaker's, Bamberger's and other great department stores in the East, for example, have the knack of getting their names into print. You may not be able to open up your own broadcasting station, but you can "pull off" some stunts just the same that will get you talked about.

One enterprising dealer conducts public exhibitions before clubs, societies, lodges, and so on. Another loaned an outfit to a local politician and both of them saw their names in print. Another stirred up a lot of talk by getting an outfit on a police patrol and filling the reporters with stories of how wireless would run down crooks. The first-mentioned dealer also achieved publicity by forming the first radio club in his town. He enlisted the Boy Scouts in the movement—and the "old scouts" soon chimed in. Another dealer sold scores of outfits to the farmers roundabout, through means of a public fair demonstration, and a mail follow-up. Still another drew such crowds in the street, around his outfit on a light truck, he was arrested. Verily the ways of radio publicity are many and varied and wise is the dealer who devises means of getting talked about. For while that is publicity, it is the magic advertising of "they say" that sends 'em into the store.

A great automobile company, after years of effort to make a supremely good car and meeting with failure for awhile suddenly outdistanced all competitors, creating a wonderful business almost overnight. It was the story on everybody's tongue that did it—the gossipped, whispered, inuendoed, suggested "they say that such-and-such-is-the-car-to-buy" that put them over. So with

radio, and so with radio dealers. "They say" that the—outfit is best, and so on,—this declaration by those amateurs who know and talk as amateurs, as well as professionals who can be counted upon to talk will prove the finest advertising for any dealer.

Study the Market with Care

Let us say that you have secured your stock—as much of it as you can get, or need to go ahead. Your place of business is established. You have salespeople and the right man to install and service sales. You are ready to consider advertising. What is the next step? Is it not to study your market again, before you prepare your advertising? Who are the largest users of radio? What is the largest prospect field? Where are they? How much can they afford, generally, to pay? What is the shortest route to reach them? Work out the answers to these questions. Then plan your advertising accordingly.

You must consider competition—just who is selling against you and what are his tactics. It is well to know. One dealer capitalized a department store radio sale and in one day cleaned out his stock. He did it by watching his competitor's advertising, by not missing a trick to cash in on their sales—but this is a story in itself.

Your market will not be limited to the men; women and girls are buying. One dealer finds the best way to create male sales is to develop female interest. The New York Wireless Telephone Company has been content to follow the merchandising methods used in the phonograph and automobile field. The fact that their store is always crowded indicates they have succeeded. And they cater to the women as well as the men. A woman enters (quoting their story in the *Philadelphia Ledger*): "May—may I hear the wireless?" she asks timidly.

"Certainly madam, you have three minutes to wait before the next program starts." She starts to remove her

For the convenience of our patrons we have organized three separate Divisions of Service, each under the personal supervision of an expert skilled in the theory and practice of Radio Telephony.

1. *Equipment and Demonstration*: In comfortable and spacious show rooms located in the heart of the uptown business section there will be on display and in operation practically every model of receiving apparatus furnished by the leading manufacturers. The range of prices is complete. Our plan of demonstration provides the opportunity for leisurely and uninterrupted inspection. Demonstrations may also be arranged by appointment—either day or evening.

2. *Installation*: In order that purchasers of our equipment may be assured of absolutely perfect installation we urge that you authorize us to carry out the details of this work. Griffin Service includes the erection of aerials, both indoor and outdoor; also necessary wiring done in a careful and inconspicuous manner under the direction of a graduate electrical engineer. Without worry or trouble to yourself, the equipment is turned over working at its maximum efficiency. Courteous, personal instruction in its operation will be given in your own home.

3. *Maintenance*: Any receiving set sold and installed by this Company is a matter of keen concern on our part, and we request our patrons to permit us to make occasional inspection of their apparatus gratis. Repair parts are always on hand and can be furnished promptly.

Succeeding the enthusiastic wireless telephone amateur, there is a class of patrons who, as a matter of course, desire the luxury of radio entertainment in their homes, but who are not interested in experiments of installation nor mechanical details of equipment.

To meet the requirements of such a clientele the need for a responsible and authoritative radio *Service* has become more and more evident; and this need has led to the establishment of the Griffin Radio Service, Inc.

Please consider this a personal invitation to visit our new uptown demonstration rooms. Here, in a dignified and comfortable environment, you may compare the leading makes of wireless telephones, and obtain informative advice without, of course, the slightest obligation to buy.

GRIFFIN RADIO SERVICE, Inc.

51 East 42nd Street
Next to Grand Central Terminal
(Western entrance)

Telephone: Murray Hill 3131

In announcing the opening of an exclusive radio store this dealer laid emphasis on equipment and demonstration, installation, and maintenance. The announcement, mailed to a hand-picked list, brought business up to his second-story store.

hat. "You don't have to take off your hat, madam. We have special listening arrangements that make it comfortable for you to hear just as you are."

The woman listens and soon an expression of amazement, surprise, pleasure, incredulity lights her face.

How to have a Wireless Telephone in your own home

No trouble on your part No special knowledge needed

YOU need not be an electrical expert—not even interested in mechanical details. You needn't shop around for equipment. Griffin Radio Service will take care of everything for you.

First of all, you want to know whether there *are* wireless telephones that work as they ought to. Come into our show room, right next to Grand Central Terminal, where you can test and compare the leading makes of radio apparatus. Our range of prices is absolutely complete, from the simplest sets to the most elaborate. Hear the Westinghouse Aeriola Grand—does away with head-phones, and is superior in distinctness to the finest phonograph. You will not, however, be urged to buy.

Griffin Service includes the installation in your home, under the direction of a graduate electrical engineer. Strict observance of fire underwriters' rules. No change in fire insurance policies. We offer our patrons courteous, personal instruction after installation—by experts skilled in the practice of radio telephony. We also render prompt, cheerful maintenance service. Tubes, phones, parts, always on hand.

If you are unable to call at our demonstration room, we shall be pleased to send a representative to your home or office to discuss radio in detail and in non-technical terms. No obligation. Write for information or call Murray Hill 3232.

Griffin Radio Service, Inc.

Demonstration and Show Room

51 East 42nd St., Next to Grand Central Terminal

EQUIPMENT

INSTALLATION

MAINTENANCE

Demonstrations day and evening—or by appointment

Ease of installation and of operation—and especially emphasis on the fact that sets can be operated without a degree in radio science make effective selling appeals to customers—particularly the "fans," whose interest lies in results rather than in mechanism.

"That's Hawaiian music being played in Springfield, Mass.," volunteers the salesman.

"Really? Is it possible? How marvelous!" Before

the woman leaves she has made an appointment to bring in her husband that evening.

And while on the subject, that dealer is wise who can arrange to keep open evenings. That is the time when many older men and the young folks especially can most easily listen in on broadcasting concerts. Sell them then.

Classify Your Prospects

Study your markets. Get the facts. How many prospects are there within your territory? Classify them, if possible. Particularly, obtain lists of clubs, unions, fraternities, lodges, churches and so on. Then, as some dealers do, you can divide them into Class A, B, and C.

Class A is made up of the live ones, the best, choicest prospects. It is always well to place a few sets with most influential people—just as in selling washing machines and vacuum cleaners. Get instruments into the home of the mayor, leading politicians, any prominent person, on a deferred payment basis if necessary. Then talk about *them*, and *their joy* with *your* radio outfit. Thus your sales will ever widen like the circles when a stone is thrown into water.

Class B prospects can be the next best; and Class C, the last. Your advertising should be centered upon the best class, and timed accordingly. The dealer secured a copy of the income tax return list of his community. Then he went after prospects, and made them customers. A good way is to use the telephone directory. Farmers are a great class of prospects. And farmers now consider the telephone a necessity. It is a great medium for selling. One dealer who wanted to beat a rival to a public demonstration of his radio put several girls to work on the telephone—with the telephone company's permission—extending special invitations for the prospect to come in that evening and listen to a great address by a famous man in a

city five hundred miles away. He knew his market and how to get to it quickly.

Another dealer began his work with the Boy Scouts. Lists of pupils in the higher grades furnished another with good material. Another ran a contest in a newspaper to get a list of names, offering a free ticket to a series of radio-movie performances, upon application. There are ways innumerable of securing lists of prospects.

Is it the young amateur you want to reach? Go after the most popular young fellows in school, in college, about town. One dealer worked at the start entirely through the local post of the American Legion. It wanted to raise money. He installed an outfit, conducted a concert for which the post sold tickets, and it raised the desired amount and enough over to buy the set. This publicity was the start. As a result he sold many more sets.

"You do not want the layman to know too much about the machine. We go after the young amateur who can be taught to operate an outfit, make minor adjustments, just as he might do with his motor-cycle or flivver," said a dealer. "It is well to standardize on equipment, prices and on sales talks," says this dealer. "We sell three types of machine, one at \$27.50, one at \$50 and another at \$100. That is all our stock, the machines and parts. And our mailing lists are made up to reach people who would want these three classes. We find that the cheaper outfit is later added to—naturally—and we may some day put in a much higher priced machine, because there will be improvements, and we think the amateurs will continue to want something better."

Another dealer divided his market into three classes, or districts—urban, rural, and suburban. He listed prospects geographically. He had his appliance map of his city, street-by-street, lists of customers to whom he had sold vacuum cleaners, etc., and these were his Class A

people. Then he charted his out-of-town prospects according to their nearness to interurban lines, roads, etc. He plotted his course of selling so that his men could visit most prospects in least time.

Then Advertise to Each Class of Prospects

There are many ways of getting your market down in black and white. The thing to do is get prospects *into your store*. And advertising will help you do it. The next question is, what sort of advertising—how best to reach each class in your market?

There are many good ways of reaching your market, but some are better than others. You must consider such things as stock, credits and ability to handle the business, when planning your advertising. It is best to set aside a definite amount for advertising. As your business increases, the percentage of your sales devoted to advertising can decrease, while the *amount* allotted to advertising will most likely increase.

If you are not clear on how much advertising to do, and where to do it, enlist the aid of your jobber, manufacturer, local newspaper representatives or the Society for Electrical Development. Don't go it alone unless you are sure of your ground. Then remember to talk about the *entertainment*, rather than the outfit.

What to Talk About in Your Advertisements

Almost the same elements enter into the advertising and selling of radio material that have to do with merchandising vacuum cleaners and washers. In general the factors are these: (1) introduction—promotion—preliminary work, (2) delivery, (3) trial (or conditions referring to the device making good), money back, guarantee, etc., (4) demonstration, (5) financing (time payment plans), (6) installation, (7) servicing and (8) exchange privileges, etc., or new sales to old customers.

Radio Supplies



We Sell Only the Reliable, Better Grade Equipment

In the wake of the enormously increased demand, radio equipment "good, bad and indifferent" is flooding the market. We carefully choose and offer to our customers only the goods of HIGH-GRADE, DEPENDABLE manufacturing companies.

"Aeriola Jr." Crystal Detector Receiving Set	\$25.00	Amrad Transformers	\$6.00
Howard Amplifier	\$65.00	Western Electric Head Phones	\$15.00
Rheostats	\$ 1.10	E. S. X. Phonograph attachment	\$ 3.00
23-plate Condensers	\$ 4.00	Sockets	\$.75

Radio Information Bureau

We answer all questions, suggest proper equipment, tell you how to make installation and give you estimate of cost FREE. This is Radio Headquarters. Come in!

COMMONWEALTH EDISON ELECTRIC SHOPS

72 West Adams Street

Announcement of a "Radio Information Bureau" helped to give this advertisement an unusually strong "pull" on radio enthusiasts. Care was taken to answer all questions carefully and accurately. This service built good will—and sales.

Dealers who have sold and are selling electrical household appliances can well try out the same ideas in selling radio. But it is best not to do it with the same salespeople, if you can help it. The other end of your business will go slack if you do. Salespeople travel the line of least resistance, like water going downhill. *Radio advertising and radio salespeople to sell radio*, is the best policy.

The demonstration is the great sales-maker for radio. It is "action advertising." Talk to radio enthusiasts and nearly every one will say he was sold by a demonstration. Your advertising should be directed to that end. Better to sell the demonstration, than to *try* to sell a "machine" and fail. A proper demonstration in the store makes the sales. Then you can very often conduct demonstrations in the homes of customers. Folks are proud of their radio progress . . . it may not be long before we have our radio teas, our radio clubs and societies in every town and hamlet. One dealer employed a preacher to sell his goods; demonstrations were held in the local chamber of commerce. There are many ways to build upon this demonstration idea.

Use of mails—letters that *get to the young person*, that talk their language, to introduce your radio. Follow them up in person when and where you can. Go after *old customers, first*. You can easily use the telephone for this.

Your advertising should take cognizance of financing and servicing. Do you sell on time? What do you charge for installation? Then tell all about it. One dealer devoted most of his advertising space to selling the idea of radio and he had a panel in which he told something about his plan of payment, servicing, etc. Each advertisement covered some important factor in installation, or the like. These advertisements he printed in leaflet form and sent entire, to the prospect list, with a

return post-card stating when the dealer's radio man might call to look the house over and tell how easily and cheaply radio could be installed.

"Stunts" in Advertising

A few of the "stunts" in radio advertising deserve mention. Usually the department or large specialty shops are leaders in these ideas. Of course they have greater means and opportunities for doing the unusual. But any radio dealer can develop something interesting, if he will try.

One distributor had a complete outfit in his window. Until the authorities stopped him his loud-sounding instrument kept a steady crowd steadily in front of his store—and inside. This same dealer secured the names of several hundred users by getting their names when he let them listen in on the ear-pieces at an evening demonstration.

Another dealer featured the simplicity of installation, because he said that people had a wrong idea about cost and difficulty of installation and were afraid to tackle it. He maintained a sort of "inspection" service that looked after any serious trouble developing in his outfits. This idea must be handled with caution, as it will be very easy for the dealer to go beyond the point where he should in giving service. Good service can and should be made to pay profits on other business—batteries, appliances, etc.

A dealer learned when a prominent radio-electrician and expert was going to be near his city and he arranged for a public lecture on radio, by invitation and no charge, at which this man spoke, and during which there were demonstrations of radio equipment and movies showing various activities in the field of radio.

Another dealer uses the "want ad" columns to develop business. He says it is the best and cheapest form of

Radio Headquarters

Announcing a New Department

We believe that the Radio Apparatus will find its place into every home very shortly along with the Phonograph and the Piano; therefore we have decided to open a new department in our establishment and we will endeavor to make this department deserving the name we have given it, "Radio Headquarters."

Education and Play

Radio is the big amusement, the big educational incentive of the near future, and home, communication, schools, churches and clubs are rapidly lining up as purchasers of apparatus. As pioneer buyers in the market we shall be in a position to furnish everything needed in Radio from the smallest part in the home-made set to the most complete and powerful radio outfit capable of hearing the most distant stations.

Our Buying Facilities

Anticipating conditions, we have bought liberally. A permanent resident buyer in New York City is in a position to keep our stock supplied as rapidly and completely as the producing market permits. While we are in a position not to deliver a considerable quantity of merchandise, the time may be at hand when we shall be obliged to make deliveries in rotation in which orders are received.

Reliable Merchandise

We are buying only of reputable firms, where factory inspection and materials used are of highest standard. Therefore, our Radio Merchandise which we carry in stock must be a Quality Article, first, best and always.

In the Air Tonight

Rochester Times-Union

7:30 P. M.—Burgess Bedtime Stories.
7:40 P. M.—Market Reports (105 meters).

7:50 P. M.—Talk on "Safety First," by H. E. Hollenbeck, secretary of Rochester Safety Council.
8 P. M.—Musicals by Hawkins Entertainers.

Pittsburgh

8 P. M.—"A Forecast of Business Conditions," by Clark Hammond, vice-president Columbus National Bank, Pittsburgh, Pa.
8:30 P. M.—Vernette entertainment by the Coburn Quartet of mixed voices.

Newark

7:45 P. M.—"The Painless Ingestible," by William R. M. Wharfedale, of Chemistry United States Department of Agriculture.

8 P. M.—Concert of the Roseland Orchestra of Newark under the leadership of Joseph Murray.
9:15 P. M.—Recital by Esther Dale, soprano.

Chicago

7:30 P. M.—Children's Bedtime Stories.
8 P. M.—Musical program, contributed by the members of the faculty of the Lyceum Arts Conservatory.

Service Department

Realizing that the amateur who builds his own set will need professional advice, we have instituted a Service Department under the able direction of Mr. Howard J. Brundage, formerly of the Engineering Department of the Western Electric Company, who will have the complete backing of our organization and will be in a position to answer questions at our Radio Headquarters.

Our Business Organization

The efficiency of our business organization which during the past six and a half years has made us the largest phonograph store in Rochester, will be utilized and where necessary strengthened to make this new department also the largest in the city. We are not getting out of the phonograph business; our Radio Department is but a new development to meet the public demand for wholesome high-class amusement of an educational order.

Come and Hear the Radio

Who has not had the desire to hear and listen in on those mysterious messages that come through the air? We beg to announce that our Radio Department will be open every evening until ten o'clock, until further notice, for the benefit of those who wish to listen and be informed. You are cordially invited.

We are in position to supply a limited number of dealers in Western New York with Radio Equipment



Radio Department
The Pathé Shop
44 Clinton Avenue North

When a music dealer decided to open a radio department he made his announcement to the public in bold newspaper fashion. A willingness to serve, knowing that service would win business, led him to make his store the "radio headquarters" of the town. After reading an "ad" like this one, a prospect would be more than likely to keep in touch with "head-quarters."

advertising. He offers "bargains in radio material" and has built up a very successful business in this measure. Try a "want ad" along this line: "FOR IMMEDIATE SALE—NEW RADIO SETS: *Have your entertainment at home, cheaply, pleasantly, undisturbed.*" (Then followed facts about the advantages of radio—brief, telegraphic descriptions of terms and conditions, prices, etc.) This dealer has had great success with the "Club" plan of selling. He induced groups of boys to go in together on a good set and got a Boy Scout Master to train them in the use of outfit.

A dealer used a set of simple "teaser" postcards to get business. "Number One" asked the prospect if he would like to hear the head of the American Legion deliver an address in Harrisburg, Pa., without leaving his fireside. "Number Two" told him about concerts nightly in Newark. And each succeeding card still further whetted the prospect's interest until when a letter came giving details and costs, he was about ready for a demonstration. A return-card calling for appointment, was enclosed with the letter.

CHAPTER IX

DISPLAYING RADIO GOODS IN WINDOW AND STORE

"AFTER all," he was asked, "what are your show windows for?"

He was the owner of one of the scores of radio stores that dot the cities. He was as new to the business of selling as he was to radio.

"Why," he said, "every store's got to have a show window. Otherwise people who pass here wouldn't know whether I was selling radio supplies or antiques."

"You use your window, then, to show people what you have for sale?"

"Sure!"

"And the idea seems to be," the first speaker persisted, glancing toward his display, "to get as much of your stock as possible into the window, so your prospective customers can see what you have for sale?"

"Well, not exactly. But I want to get as big a variety as possible into the window. You see my window space is small and rather crowded, but say, it certainly attracts attention. Why most any time of day there is a bunch of people standing around looking in."

Sure enough, at that very minute a dozen or more young men were standing outside the window gazing longingly at the scrambled collection of apparatus.

"How's business, anyway?" he was asked.

"Great!"

"And how do you find the demand runs, for the more expensive sets or largely to the cheaper sets and parts?"

"That's a mystery to me," he confided, "I know some of

my competitors are selling lots of expensive sets. But somehow my demand is for the cheaper sets and parts."

"Have you ever considered that perhaps your window display has something to do with it?"

"No," he said. "I have blamed my location, and yet Brown, right down the street, is outselling me in the expensive sets."

"Let's walk down and give Brown's window the once over," the dealer's friend suggested.



Despite the fact that dealers now quite generally recognize the value of a display window, too few of them have developed the ability to plan a display that will win and hold a crowd. With the passing of the radio "craze" more intelligent effort will be necessary to win sales through window displays.

What a Better Window Looked Like

Brown's window presented quite a contrast. Brown is an electrical dealer of long experience, and although he is new, too, in radio, he does know something of successful merchandising methods. The central object of his display was one of the better type of radio sets, placed on a small table, and connected up just as it would have been

in the home. Drawn up to the table was an easy chair, and thrown over the back of the chair was a lounging robe and on the floor was a pair of felt slippers. On the table beside the radiophone, lay the head phones as though they had been laid aside for a moment, and beside them was a well-used pipe and a pouch of tobacco. The floor covered and background were a neutral brown, while a table scarf of rich purple added a flash of color and richness. The window was a most alluring invitation into the realm of radio.

The dealer and his friend stood gazing at the display for several moments without comment.

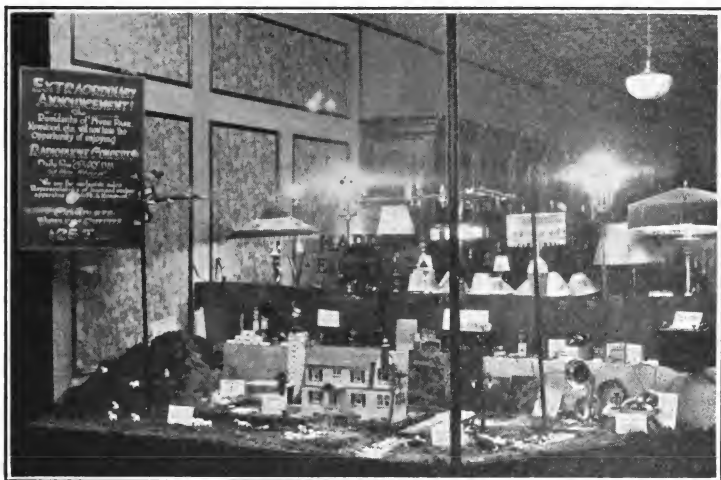
"Well, I'll be 'jiggered,'" finally said the dealer. "I believe there is something to it. If you'll excuse me, I'll trot over to the newspaper office and put in an ad for a window-display man."

Perhaps it would be possible at this stage of the radio industry to rig up a radio window display so bad that it would fail to attract attention. The other day the writer passed a window which had been literally dumped full of radio apparatus and parts. Some of it had even been stored on a shelf high in the window. The moorings of this shelf had given way and it had dumped its load of parts all over the window. The result was a prize-winner for confusion. But standing around the window three deep was a group of radio fans gazing raptly at the display. Apparently the clerks inside were too busy to pay any attention to the window.

But it might have been noted here, as in the instance just described, that the kind of prospective customers who were crowding about this window were young fellows of the type who might be expected to tinker about building their own sets, and who, at best, might buy one of the cheaper receiving sets.

Displays for the "Part" Buyer

Of course, it cannot be denied that this sort of a demand for radio supplies provides a perfectly legitimate field for a dealer. This demand is large enough, also, to be important. The important thing is that the dealer decides at the outset whether he wants to cater especially to that sort of trade, or to another type, and lays his plans accord-



Sales as well as interest resulted from the radio window arranged by the Harper Electric Company in its store located in the Hyde Park section of Chicago. Beneath a four-wire serial a model house was set up, surrounded by walks, lawns and a lake with a real mirror surface. A supply of toy rabbits, horses, sheep and birds added spots of interest that younger pedestrians found difficult to pass. In addition to a display of radio equipment, the window dresser added a sign inviting the public to hear the daily radio concerts at the store, and very cleverly tied together the sign and the display.

ingly. He may be influenced in his decision by a number of considerations; the location of his store, the number and kinds of broadcasting stations in his city, and whether he has handled other lines of goods previously. A very important consideration would be the general character of his established trade.



If a radio dealer decides that he wants to do a business in the cheaper sets and parts, then a window display containing a great variety of articles, which a well-trained window-display man would probably condemn in no uncertain terms, might be the very drawing card he needs. For it ought not be forgotten that the kind of radio enthusiast who buys parts to construct his own receiving set likes to browse around for himself and a window heaped full of the things he would like to own holds genuine fascination for him.

This is all very well as long as radio retains its novelty and as long as the demand for radio apparatus so greatly exceeds the supply as it has until the time of this writing. But there are very definite signs that both of these conditions are drawing rapidly to a conclusion.

The radio dealer who has not worried about his window display because it was already attracting more trade than he could care for, will have to use a little ingenuity before long to attract more than casual attention. And at the time the average radio display begins to fail as a drawing card, the dealer will certainly begin to feel the need of the patronage it lately drew.

There is no doubt in the minds of many persons in intimate touch with the radio industry that there is bound to be a slump in the business in the not distant future. Just when this slump will come and how severe it will be, and to what extent the radio business will survive it, is a matter of opinion. But it is pretty near a certainty that a slump is coming. It is quite certain also that a great number of dealers in radio supplies will drop out of the business.

The first to go will be the opportunists who saw in radio merely a chance to "clean up" on the strength of an unprecedented popular demand. The next to go will be the dealers who find a plausible excuse in the general

slump to resign themselves meekly to their fate. The radio merchants who remain in the business and form the cornerstone of a permanent radio industry will be those who use every weapon they possess in a fight for business.

One of the chief weapons these merchants will use will be their window, table and counter displays. Used intelligently, displays are powerful business-getters. The general principles of good window display practice have already been worked out, and the small dealer who cannot afford a display expert can increase the effectiveness of his displays many times over simply by a common-sense application of these principles to his own business.

Value in a Window Display

The worth of any window display depends, first of all, on the number of people who may see it—the number that pass the store daily. A count of the persons who pass a certain display window in New York has shown that more than a million potential customers may see it each day. The value of that display space is tremendous and you may be sure a great deal of thought and care is given to the displays which appear in it.

But supposing only ten thousand pass the window each day, or only a thousand. The problem first of all is to catch the attention of as many of that number as possible. One of the first things to see to is the window lighting. Be sure there is as much light as possible on the display and as little as possible on the prospective customer.

The use of colors in the window display has been shown to be an important point in attracting attention, and in addition the colors may add a certain suggestion to the display. A window trimmed in harmonious and pleasant colors actually has the effect of drawing people into the

store predisposed to buy. Psychologists have shown that a predominance of certain colors may have a decided



To make a radio window interesting and attractive, try a display of new devices and use a loud speaker to convey signals to the street. This is a good example of an uncrowded window, but one that does appeal to both "fan" and "nut."

effect on the person who views them. For instance crimson carries with it the suggestion of passion and excitement; a deep orange suggests heat; and a yellow-orange the warm glow of a fireplace; yellow may be joyous and gay or by a trick of association sickly and disgusting; green is a peaceful, neutral color and blue even more sedate and tranquil; violet suggests stern, gloomy melancholy; and purple the stately dignity of royalty. Black is the color of the aristocrat.

Purple or black drapes are very effective as a background for high-class wireless sets, for the polished and nickled parts stand out in sharp contrast and these colors lend an air of quality and dignity.

Of the three general types of window displays—the miscellaneous commercial display, the educational display, and the suggestive display—the latter would seem especially to recommend itself to radio stores, especially those serving a high-class patronage.

A great number of the people who buy the better class of radio sets neither know nor care very much about what is inside the set. They do want to be assured, however, that the set is backed by a reputable maker, that it will do well the work for which it is designed, and that *they* can operate it successfully. A suggestive window display ought to emphasize these essential points.

One of the big New York department stores estimates that the space devoted to a single window display is worth \$100 a day to them. It is interesting to note how this store put these essential elements into a radio window display. The window settings were selected to suggest the atmosphere of a refined home. A single radio instrument on which the name of a famous maker was plainly visible was placed on a table in the center of the window. Dummies to represent Father, Mother and Little Daughter (the type of persons who have *not* been



Attractive radio windows do not stop with simply carrying their message to the radio fans; they help to sell everything the electrical store has to offer by creating a broader interest and characterizing the dealer as a "live wire" in his field. The picture shows the radio window of McCarthy Brothers & Ford, at Buffalo, N. Y.

interested in radio in the past) were grouped about the set, each in a listening position with a pair of phones at his or her ears. During the time that display was in the window the sales of radio instruments in their radio department ran over \$3,000 a week. The display was designed, not to explain an intricate mechanism, but rather to hide its "insides," and above all to give the average man or woman a mental picture of the real enjoyment he or she would get out of a similar set in their own home.

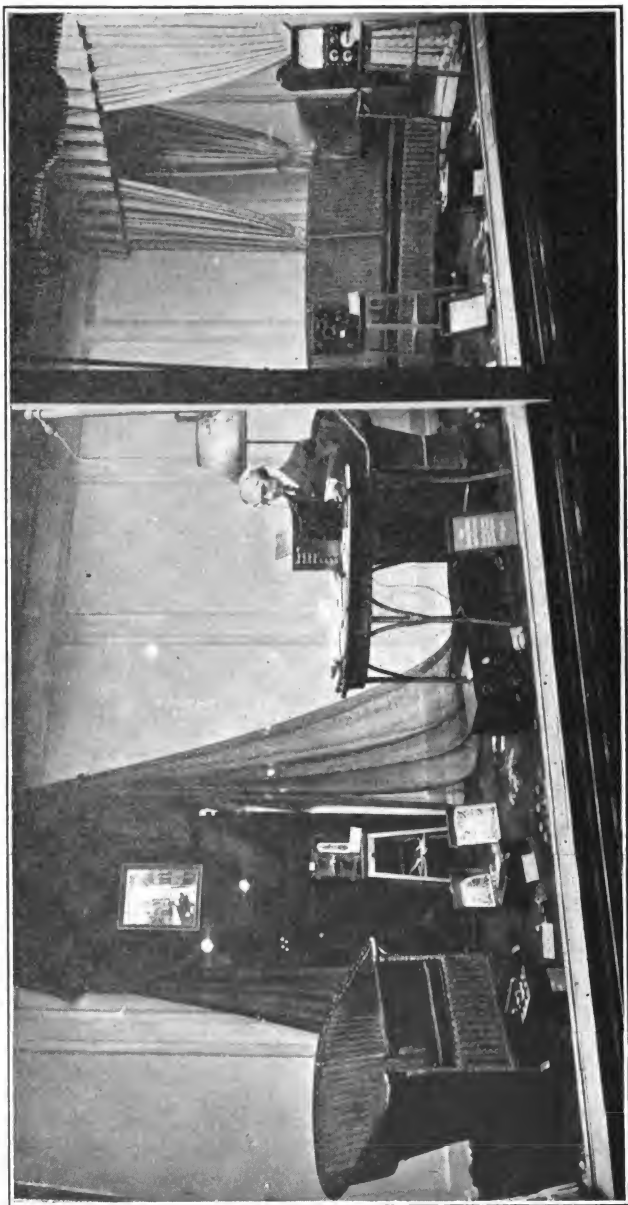
Putting Home "Atmosphere" into the Window

Another large New York store has carried this idea even further by designing its radio department to suggest the atmosphere of a home. A demonstration set on a central table is connected to an aerial on the roof in the regular manner and the customer is invited to sit in a big comfortable chair to listen to a practical demonstration. In this department the aim is to sell the more expensive sets to people who can afford the best. Of course this store handles auxiliary parts but these are kept in the background and shown only on request. That department is a very successful one.

Of course, it is recognized that the average radio dealer could not duplicate such elaborate displays, but he can duplicate the *ideas* in them. Ofttimes a single piece of furniture or some other object will add a touch of suggestion to a display that will make the difference between success and failure—the pipe and slippers in Brown's window, for example.

Avoid Complexity in Display

Radio merchants above all others seem to have fallen into the error of putting *too much* into their displays. The radio business is so new and there are so many



An expert merchandiser can make his store windows sell just what he wishes to sell. At least department store merchandising seems to prove that that can be done. So when R. H. Macy & Company, New York, wished to sell radio sets rather than parts, they rigged up a window displaying complete sets "surrounded by the home atmosphere," as the manager expressed it. Radio parts have only a small emphasis in the window. And sets were sold.

novel things to be shown, that it is a great temptation literally to swamp the main display, and table or show-case displays inside, with a clutter of objects, each of which in itself might have been the subject for a display.

It is a good rule in this connection to display only related objects at one time. If the main display consists of a home radio layout, it would be entirely proper and good merchandising to devote one corner of the window to lightning arresters, with a card briefly explaining their purpose. Such a detail of the display would be almost sure to sell with each set one of the various types of lightning protectors, where otherwise this would be a forgotten detail at the time of purchasing. With such a display, however, it would be very bad policy to devote another corner of the window to a display of tuning devices. The set in your main display already contains this device and it would only serve to confuse the possible customer and divert his attention from the main idea of the complete set. A display of tuning devices, partaking somewhat of an educational nature, would, on the other hand, be a very effective display if treated alone. Your prospective customers in that case would be those already possessing unsatisfactory or cheaply made tuning devices, or persons who might build their own sets.

A most effective radio window display recently seen contained a single complete home set in the center of the window, but the layout was such that the set was relegated to the background, and attention was directed principally to a piece of auxiliary apparatus. The busy dealer who arranges his own window displays might save a great deal of time in changing displays by keeping a home set in the same window layout, but subordinating the set to an auxiliary device for which every radio owner would be a prospective purchaser.

For instance, many amateurs have good sets which

fail to function properly because their antenna layout is wrong. An attractive card bearing the legend "Let Us Show You How to Improve Your Antenna," placed before the main display of a home set, a miniature aerial erected across the front of the window, using towers built from structural steel toys, and adding a few important antenna parts plainly marked with prices, would change the whole tone and appeal of the window.

Change Displays Frequently

Displays should be changed often, to be effective. No rule can be given as to how long a display should be kept excepting that it is always a good plan to check up the result in actual sales and when the display begins to lose its pulling power, it is time to change it.

No matter how much trouble or money has been spent on a display, it is folly to keep it in the window if it does not prove effective. And the same is true of special inside displays.

The demand for radio apparatus is still so unsettled, that it seems very likely that many dealers will find, when the demand slackens, that they have on their shelves considerable quantities of types of goods for which there is little demand. In a retail business, such as the drug business, where public preference is established through years of experience, the amount of shop-worn or left-over goods is reduced to a minimum, but still there is enough of it to constitute a problem. Says the window man for a big drug concern:

"Our windows cost us a lot of money and we have to make them pay. For this reason we will not feature any merchandise that is not in demand. If we should 'get stuck' with an oversupply of goods that will not move, we do not display it or force it on our customers. We either sell the stuff at a loss to some other concern or

throw it into the ash barrel. Our windows are too valuable a medium to be wasted on stuff of this kind.

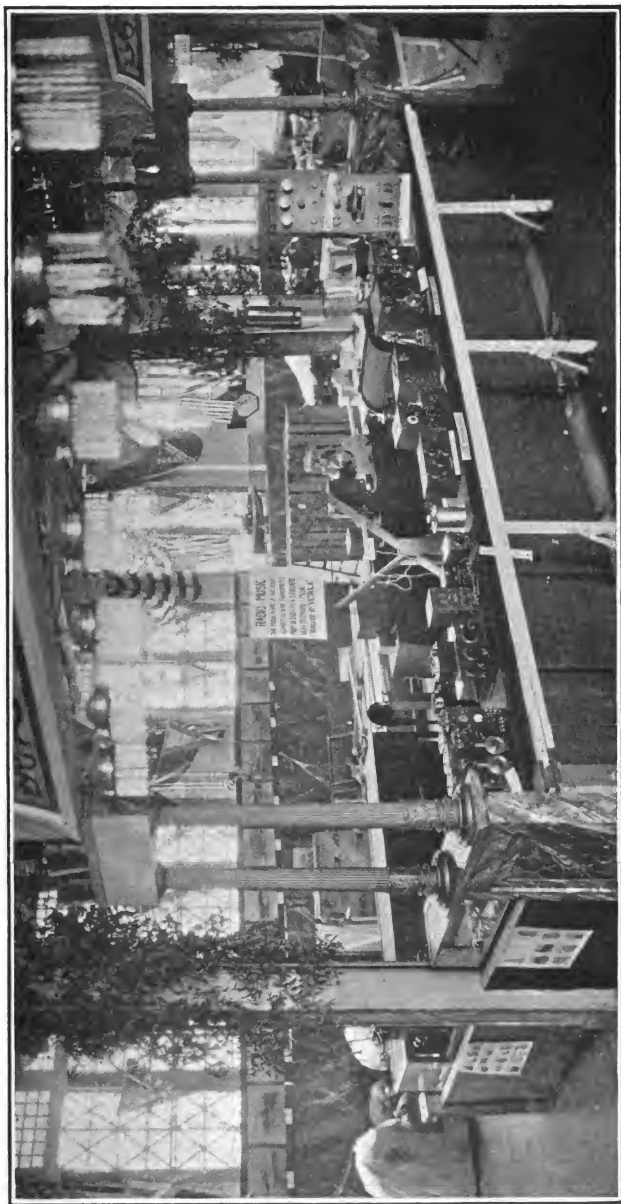


How to plan an educational display for the show window is indicated by this effort to concentrate the attention of radio prospects on the necessity for making sure that every installation included a lightning arrester.

Even if we found we could sell it out after a while, such a procedure would injure the reputation of our store."



When a certain high grade and famous department store on Fifth Avenue, New York, undertakes to open a special department for any line of goods, it usually succeeds. The smaller store will do well to give careful attention to the layout of a radio department—and make sure that it does what it is expected to do.



Because music and boating have long been closely associated, especially in the minds of the younger generation, an eastern radio merchant installed an elaborate display of his goods at a widely advertised motorboat show. This exhibit carries suggestions worth consideration in planning store displays.

Put Maker's Name and Price on Window Cards

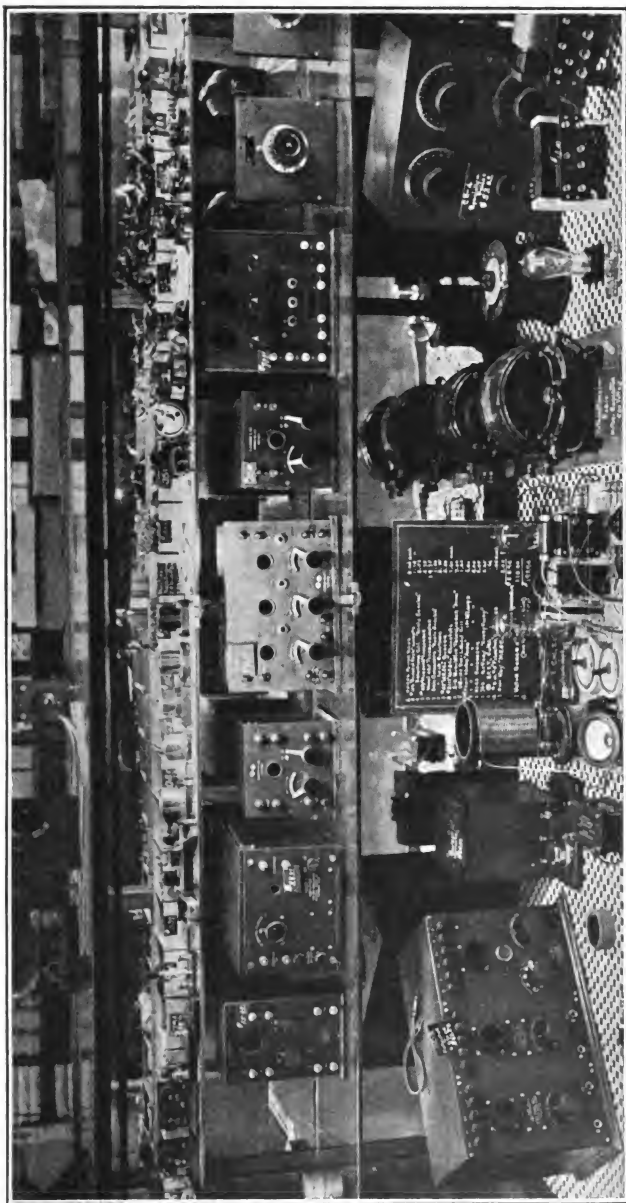
Another bit of sound advice which the radio merchant can glean from the experience in established lines is that as a rule window cards should plainly state the maker's name and the price. Window shoppers do not like to go inside to ask prices. Even if they do not buy the article on display, they are much more likely to come into the store in a buying mood, if they know the name of the maker and the price of the article they *expect* to buy. It is sometimes unwise, however, to display the price of an expensive article, especially if a demonstration is necessary to convince the customer of the quality. Radio parts should always bear price tags, but it probably would be unwise to tell the price of an elaborate set with an expensive loud-speaking phone.

In window displays as in a great many other departments of human activity, "handsome is as handsome does." It isn't always the handsome window display that brings the best results. It is the *suggestion* that the display carries which does the trick.

Why Counter and Table Displays Need Careful Attention

Much has been said, thus far, about window displays, rather than to counter and table displays, because the same general principles apply to all three. There is the notable difference, however, that the prospective customer who sees the table and counter displays is already inside the store. He is a hundred times a better prospect for a purchase than the man who looks into your window from the street. But the principle of suggestion is still all-important. Usually it is desirable to repeat the suggestion of the window on a small-scale counter or table display.

The inside displays have the purpose, not only of suggesting something else for the customer to buy, but of



Prices in plain figures help speed radio sales. This picture shows the radio counter in one of the retail stores of the Manhattan Electrical Supply Company, New York City, a company which does a large radio business. A complete list of radio units and parts is on display, and it will be noted that plainly marked price cards set forth the cost of each and every item so that the waiting radio fan may make his own selections and price decisions while the salesman in charge is wrapping up the purchases of the man ahead. At the bottom of the display case is the demonstration radio-telephone outfit, with parts all wired in plain sight for the instruction of the amateur.

assisting the sales force in making sales. There are certain stock questions that purchasers of radio ask, and which may require long-winded explanations that will seldom be clear. The thing can be shown better in a miniature layout. For instance, one of the New York stores has as part of its permanent inside display a miniature house with all of the outside connections for a radio set made in miniature. It saves a lot of time and explanation.

A good painting that is just a pretty picture with no idea behind it is not worth much; a piece of "literature" that is just well-chosen words with no forceful message is soon dead. And so the main consideration in displaying radio, is to have a message. After that the problem is to state your message clearly and concisely.

The technical execution is important and there are books which every merchant who faces the problem of making a valuable window space pay dividends ought to read. The cleanliness of the window, the background, the colors used, the wording, size and location of show cards, the location of the window, the kind of goods to be shown, all are important factors. But chiefly it is important to have an *idea*.

The fly-by-night dealers who are capitalizing an unprecedented public demand will have little need for ideas. The radio dealer who stays in the business permanently will do so for the very reason that he displays ideas that bring business while the other fellow is bemoaning his "hard luck."

CHAPTER X

TRAINING STORE SALESMEN TO SELL RADIO

RADIO is one of the most highly specialized businesses with which retailers have ever been identified. The selection of merchandise is not especially difficult, if a dealer is careful. Nor with the present popularity is the resale particularly difficult. Yet progressive dealers in radio, seeing the possibilities of the business and realizing its permanence, are employing the most modern and up-to-date methods in training their salesmen to cope with the intricate situations in which they find themselves when face to face with customers, and therein lies success or failure in radio merchandising.

Three types of retailers, the exclusive department in the modern department store, the small store devoted exclusively to radio, and the smaller store where radio sets were carried in response to the demand, but yet were a side line, were asked the single question, "How do you train your salesmen to sell radio?"

"Keep up with the boys and you'll be able to handle any class of trade, that's what I tell my salesmen," said the radio manager in one of a big city's leading department stores. Then he went on.

"Yes, strange as it may seem, the radio salesman that can keep up with the fourteen-year old lad in technical knowledge, knows enough radio to talk intelligently to the most confirmed "radio nut." Any salesman with personality and patience can inform himself so thoroughly on the specifications of the sets we handle and their operation, that he can sell the mere Fan.

"But let him attempt to talk generalities and romance to the high-school lad—let him make a misstatement that displays an ignorance of his subject and nine times out of ten his chances for the sale are gone.

"The great majority of our sales are made to boys or to adults purchasing for boys. And in the latter case the boy usually accompanies the buyer—in most instances, the father. It smightly interesting to note how 'Dad,'



"Learn how to sell to the boys," advises a successful radio dealer, in making suggestions for training salesmen. "Even when Dad does the purchasing he frequently is buying for the boy. A satisfied boy means a satisfied Dad and that builds business."

often forty or fifty years old, listens with mingled awe and respect while, 'Sonny' talks to the salesman. Dad may pay, but Sonny does the buying. Your typical boy wants to install his own set and generally so convinces his father during the course of the sale, of his ability to do so that father digs down a little further to get the best set his pocket can afford.

"That's why I say to my salesmen, 'Learn to sell the boys.'"

And his salesmen *can* sell the boys.

Then because his questioner's curiosity was aroused the manager led the way through the entire department, explaining at length how he had trained his salesmen.

First he went to the roof of the tall building where complete overhead equipment for broadcasting and receiving had been installed; then back to the completely equipped broadcasting room and finally to individual rooms where receiving sets of various makes and radius had been set up.

This particular manager had made his own job. Becoming convinced early of the possibility and permanence of radio as a business he completely sold his proposition and himself to his firm. Unlimited co-operation and the necessary appropriation was granted him. Because his own interest was so keen, selecting and training his salesmen was comparatively easy.

Learning the Fundamentals

He knew what he wanted. Stock and equipment were ordered. Then he picked his original salesmen—four in number—now eleven. When the equipment arrived, he, with his four salesmen, under the direction of a competent installer set about the construction of his own station. Together, as they worked, they learned the fundamentals, learned why they installed this aerial, why they did this, why they did that, what the result would be. When the station was completed all were fairly well versed in the technical points.

Then, under stress of selling, the real training began. Salesmen were placed on a profit-sharing basis and thus given the incentive for increasing their own store of knowledge and their earnings.

Two evenings a week all met as a class. First they went to dinner. Then they returned to the store for entertainment—and for instruction under a professor from one of the city's technical schools. As the sales force grew, the new men came into the class and received through practical demonstration the fundamentals of radio science.

"My men know their business," said this manager, and they know how to distinguish between the so-called "radio nut" and the mere "radio fan" because they do know radio. They can talk intelligently of antennæ, detectors, etc. They know the radius of this set and that set. They have exact information concerning all broadcasting stations."

But these classes were not altogether for technical instruction. The main business of the course was selling. Through the professor, the men learned how to distinguish between prospects who knew radio and those who did not.

But they needed no instructions to let the buyer talk under intelligent direction until he exposed his own knowledge or ignorance of radio. Classification of a prospect is easy. If a "nut," any man in the department can sell him technically. If a "fan," he can romance on the receiving of broadcasting service to the prospect's entire satisfaction.

Practice in Writing Advertising

The salesmen were further allowed to try their hand at writing the advertising copy for the daily papers. In this way they learned how to get the interest appeal into their sales talk. For their offerings were mercilessly criticised, not only by the manager of the department but by the advertising manager of the store as well.

The broadcasting station was turned over to the use

of one of the daily papers and the salesmen in turn are present at these evening sessions. The more experienced, the original five, including the manager, take complete charge. All are still students, successful salesmen because their own interest in their work is kept alive.

Naturally the small store has neither the space nor the capital to go into so broad a merchandising plan. Yet the progress that some of the smaller exclusive radio-supply stores have made in training men to sell is really astonishing.

The writer was attracted by a small, neat cardboard sign in the well-filled and displayed window of a small, main floor store. It read:

“ We Wish to Announce to the Public that
MR. ANDREW BROWN
Is in Complete Charge
And Will Be Glad to Answer Any or All Questions
Regarding Radio.
No Obligation to Purchase.”

Taking advantage of the offer the writer went in, asked for Mr. Andrew Brown, and, being received courteously by him, proceeded to ask some questions.

This store, with three salesmen only, was doing a remarkably thriving business. All the men were wide-awake, but the one real expert in the place was Mr. Brown.

The under-salesmen were trained to refer all difficult questions to him. He was in fact merchandized to the trade as “the expert.” According to Brown, they were not to attempt to answer questions that were beyond them. Yet where they were able to handle the situation, it was distinctly understood that he was not to be called upon. However, when he was called upon to answer the question, he did not take the customer away from the

salesman, except in unusual cases, but explained the point in question to both the salesman and the prospect.

Brown kept a memorandum of all such questions submitted and the salesman who had brought them up. These memoranda were discussed not only privately with the salesman in question, but in the weekly sales meeting. In this way the men were made to lean upon their own resources more and more, becoming more familiar with their business and more efficient every day.



Very different questions are likely to be asked by the "fan" from those asked by the amateur who is interested chiefly in the mechanism of a radio set. Trained salesmanship recognizes quickly the kind of prospect with which it is dealing and then plans the sale accordingly.

How "Fans" and "Nuts" Educate Salesmen

The only way to train a salesman to distinguish between "nut" and "fan" according to Mr. Brown, is to keep him interested in gradually increasing his own store of knowledge. The average "nut" talks of antennæ and wave lengths—the average "fan" wants a set that will let him listen to some broadcasting station a thousand

miles away. Any salesman with common sense can tell one from another. To sell them is *the* problem. Application to business, willingness to learn and self-education in radio plus a natural sales ability will enable the salesman to handle all classes of trade.

And speaking quite frankly, Mr. Brown declared that his setting himself up as an authority competent to answer customers' inquiries was as much directed toward the training of the salesmen as it was toward the edification of the prospect. "It keeps them stepping to keep up with me," he said, "and it keeps me stepping to keep ahead of them."

In this small store, because of lack of facilities, no equipment save a receiving set had been installed. Familiarizing themselves with this, each of the salesmen had been presented with a set for his own home use, with the idea that the installation and the operation of the same would familiarize him with the technical details. And with the further idea that the fascination of the radio itself would be sufficient to keep up the keenest interest on his part.

Evening Classes for Salespeople

In a hardware store in a prosperous suburb of the same city, about thirty miles out—population about four thousand—radio was a side line. No one man in the store knew much about it. But all were willing to learn. The proprietor was keenly alive to the fact that if he were to prosper through radio, he must train his salesmen. Otherwise he could not compete with the city stores who were close enough to cater easily to his own everyday trade.

Yet even here, steps had been taken to make each salesman familiar with the line. A first-class receiving set had been installed. For the dealer saw the importance

of interesting each man in radio itself before attempting to teach him to sell.

For weeks after it had been installed the men and the two girls employed in the store had been coming back in the evening after their work was done, practically every night, to pick up this or that station—to be entertained—and gradually—although they did not perhaps suspect it—to become familiar with a few of the technicalities involved. They began to talk more intelligently of radio, to tell their friends about it outside the store and thus to create a general spirit of interest in their own particular store as a radio headquarters.

The merchant, quick to see this, began a series of visitors' nights. A certain clerk was asked to invite as many of his friends as the apparatus would accommodate to come to the store on a certain evening for the express purpose of enjoying a program from this or that station. And they were glad to come. Some bought. Many did not. Some who did not, went to the city to buy. But all in all the plan has been very satisfactory and quite profitable.

Such sets as were sold in this store to fans, were installed by a man hired by the merchant. Satisfactory installations were guaranteed.

And just before the writer left this store the proprietor remarked confidentially that he was taking in as a partner a young man who did know radio. He was doing it, he said, because he thought there was a great future for the business even in a small town. This man, he stated, would be able to train his present help to the same point of efficiency as that displayed in their demonstrating of phonographs or washing machines.

So there *does* seem to be a place for the experts in the line!

Radio sets will ultimately be so reduced in price that

they will be sold to people of moderate means. The installment plan of sale will place them in millions of homes just as it has placed millions of phonographs and household appliances. What was the rich man's toy will become the workingman's pleasure and a means to his further mental development. That stage is rapidly becoming a reality. And as radio develops, salesmanship must develop. Otherwise a comparatively few big retailers and mail-order houses will supply the entire demand for equipment. From a broad survey of the field, it would seem that electrical supply houses and dealers in electrical specialties are determined not to let that happen. Within the last few months there has been a general awakening to the need of trained salesmen.

General Rules for Training Salesmen

A few general rules for training salesmen can be laid down. First of all, do not neglect or overestimate the importance of installing a receiving set in the store. Interest in the proposition he sells is the first requisite to the salesman's success. And the salesman that can't get interested in working a receiving set, in picking up KYW or XYX or any other station, can't get interested in anything! By all means give your salesmen a chance to play. The play will become mighty serious business before they are through.

Second, knowledge of radio is important. In many cases interest in radio itself, enhanced by the opportunity to gratify that interest by actually operating the set, will lead the man or woman to get right down to conscientious study of the subject. Use the literature prepared by radio manufacturers. Buy a few books for the store. Find out what books are in the public library. Advise your salesmen to read them. If possible employ an experienced radio man. Be sure that he is the type that

can instruct without offending, without imposing his superior knowledge upon his co-workers in an odious way.

Third, manifest an interest in radio yourself. Be interested in getting prospects into your store for your salesmen to work on. Be enthusiastic. Your state of mind will reflect itself to your employees. Advertise in the local papers. Arrange little evenings of pleasure for invited groups. Thus you will gradually force radio into a place of prominence in your community.

Fourth, look ahead to furnishing installation service for your less affluent trade. The rich man can order an expensive radio set and say with a wave of the hand, "Send a man up to put it in." You can hire an expert installer and charge your rich customer the price the work is worth.

But how about the man of moderate means? It strains his pocket-book to get the set he wants, let alone paying a fancy price for the installation. Either he must do the work himself or you must do it for him at a moderate fee. If he is a typical "radio nut" he will want to do it himself. But if he is merely a "fan" all he is interested in is having the set work after it is in. He wants to listen to Pittsburgh at 8:30 and to Chicago at 10 P.M. It's up to you to enable him to do it.

Therefore your salesman must be able to do the work of installing himself, or to explain it so that another man can do it. This mechanical work is aside from the technical side of radio. Most any man with a ready cut house and an instruction book can put his house together with hammer and nails. So it is with radio. Most any man with simple instructions can do the purely mechanical work.

Impress upon the salesman the need for knowing how. The question will often come up in his selling. And if he can promise real service to the prospect in installing the

set, you can be sure that the set will render satisfaction. Bear in mind that radio is reaching the stage where it is practically fool-proof. Let your salesman convince his prospect that he can install his set and maintain it economically and the purchase price dwindles in comparison.

Fifth, try to get every salesman interested in a set for his own home. The pride of ownership will go a long way toward making him a competent salesman.

Sixth, impress upon every salesman the importance of letting the prospect talk until he convicts himself. Don't allow them to confuse an interested prospect with technical terms that have no meaning to the uninitiated. Train him to talk from the romantic side. Such a prospect wants to know from what distance his set will receive. He will reach the technical stage later on. On the other hand, however, don't let a salesman dodge the issue with generalities when a confirmed "radio nut" comes in. Better let him turn the prospect over to some one who knows.

Remember that radio is only in its infancy. Its development is sure because its influence on civilization is permanent. Right now is the sowing time that will bloom into great fields of profit. Pioneering is hazardous only to the unprepared. Right now, as a dealer in radio sets, you are a pioneer in a virgin field. The results depend to a great extent upon your knowledge of the field and the tools you work with. Your salesman and your store are your tools.

One trained salesman is worth ten untrained. See to it that one, at least, is trained!

Remember that the quickest way to increase sales is to educate salespeople to sell more. This is a simple statement, yet it is a problem confronting many dealers. The average retail employee who stands behind the counter is not a salesman at all. Too often he is merely a servant who simply fetches the goods asked for by the customer.

That is not selling. This was more or less the practice throughout the entire country during the period when goods were hard to get and easy to sell.

But now conditions are changed. Goods are easy to get and hard to sell. The new conditions require new methods of selling, and one of the most progressive things the dealer can do is to develop real salesmanship among the salespeople on his payroll.

This can be done in various ways.

The small dealer can personally instruct each individual salesman, but for the larger concerns this is almost impossible. There are, however, many methods that can be used by both large and small dealers, with perhaps a slight variation in the application of the methods.

Must Know the Goods in Stock

One of the greatest handicaps of many retail salesmen is a lack of knowledge of the goods in stock. The proprietor himself is told the selling points by the manufacturer's salesman who sells the merchandise, but his salesman does not have this advantage. It is therefore a good method for the dealer to request the manufacturer's representative to demonstrate his merchandise to the salespeople so that they in turn will know what features to talk about when trying to sell the merchandise. This can best be done during the early morning hours when there are few customers, or right after closing hours during the evening. If this is impossible, then the dealer should take it upon himself to educate his employees. He can do this by personally talking to them and by asking them to read the advertising literature mailed out by the manufacturer.

Many dealers every day throw valuable sales literature into the waste basket. By taking this literature, reading it carefully, and then passing it from clerk to clerk to read,

the salespeople can quickly get a thorough knowledge of all the merchandise handled. This action on the part of the dealer cannot help but be profitable for himself, for it will enable the retail salesman to get a more comprehensive knowledge of the goods they are asked to sell, and knowledge of goods is one of the prime requisites in salesmanship.

Let the Customer Take His Time

Then, too, many salespeople want to hurry a buyer. They show their impatience, which often results in the customer leaving the store before having purchased everything he needs.

A Chicago retailer had a clerk who became impatient when a customer did not at once buy. The dealer made a real salesman out of this clerk by simply telling him a little story.

"Do you see that man over there looking at an electric toaster? He evidently wants a little present for his wife, but he is not sure that the toaster is exactly what he wants.

"This man, like every buyer, who comes to our store, has a pair of scales in his head. He is placing the toaster on one side of the scale and the money on the other side of the scale. If in his estimation the money side of the scale over-balances the toaster, then he will not buy. But the moment the scale in his head comes to a balance—the moment when in his estimation the toaster balances with the money—he will buy the toaster, for the one balances the other. He figures that he is getting his money's worth.

"Now, it is the salesman's job to make the scale balance. Every time he adds a selling or talking point, the money side of the scale goes up, while the toaster side of the scale goes down."

This story so impressed the clerk that he began to realize the importance of taking pains to make sure that the merchandise side of the scale overbalanced the money side. By keeping this fact in his mind the clerk devel-



Often it is good salesmanship to get customers acquainted with each other. Let the salesman get the "nut" to shake hands with a fellow "nut" and a "fan" to grip hands with a fellow "fan." It tightens the human bond all around—and helps sales.

oped into one of the best salesmen in the store—and instead of avoiding slow buyers, he began to take delight in selling customers who were hard to please.

Finding the Chest of Gold

At another time this same dealer stimulated the sales activity of his help by an entirely different story. One evening he asked his clerks to remain for fifteen minutes after closing time, as he had something important to tell them.

Just as soon as the salespeople were ready, the dealer took out of his pocket a clipping from a local newspaper. This clipping told of an unusually large sum of money having been found in a tin pail buried in the cellar of a miser who had died a short time before. The dealer read the clipping, then asked his salespeople what they would do if they were told that there was a chest of gold buried at a certain place. One of the clerks spoke up and said he would get a shovel and get to work.

The dealer then told his story.

"There is a chest of gold buried right here on the shelves of this store."

This statement immediately secured the interest of all the clerks. "Take a look all around the store. You will see shelves filled with electrical supplies, showcases filled with household appliances, the floor covered with electrical washing machines, vacuum cleaners, floor lamps, heaters, etc. The goods are naturally our stock in trade. They represent our investment. In these goods there is a lot of money buried. To get this money we must sell the goods. If we buy a dozen electric irons at \$60 and sell them at \$7.50 each, we do not receive a penny in profit until after we have sold at least eight of them. We must make eight sales before we can expect to begin to make a penny. We must get our investment back before we can begin to make a little profit. And even after we have back our original investment, we have to sell an additional two irons to pay the cost of doing business. Our profit on the entire dozen of irons is in the sale of the last two irons.

"Just think of the many items on our shelves of which all but the last few have been sold. Most of you think that because these items have been just about closed out we made money on them, but we do not make our money until the entire lot has been sold.

"My ability to pay your salary—and to give you a little increase from time to time—depends upon how well you help me to sell the entire lot of every item that is placed on our shelves. If we buy a dozen appliances, sell six of them at a good average profit, three of them at cost, and then put the last three on a bargain counter to get rid of them, we really lose money. The profit we made on the first sales is eaten up by the losses on the last half of the lot.

"From time to time I myself considered that if we sold a part of a lot of goods at a profit, we were making money. But I was mistaken, and I know that many of you still have this mistaken idea. It is hard to realize that you do not make money on the first sales, but rather on the last sales of a lot of merchandise.

"I am telling you these things because I know that if you once get these business fundamentals clear in your mind you will be better salesmen while you are here—and you will be better business men when you get into business for yourself."

This dealer has made a specialty of reading his trade publications. He has a special book in which he writes down every selling scheme he reads about, every method he finds for increasing sales and for conducting his business on a more business-like basis.

His store is a success because he has learned the value of new ideas and the advantage of educating his salespeople not only in salesmanship but in the fundamental principles of retailing.

CHAPTER XI

HOW TO DEMONSTRATE A RADIO SET

ONE of the large electrical stores in New York disposes of its radio customers with neatness, dispatch and profit. Along one wall of the salesroom is built a series of little booths, and in each is set up a representative type of radio apparatus. The sets begin with the inexpensive crystal detector sets, range from the simpler to the more complicated tube sets, and culminate in a powerful amplifier with a large loud-speaking phone.

Each set is plainly labeled as to the distance from the sending station it may be expected to be effective, additional parts needed, the cost of each item, and the total cost. Each set is in working condition and is attached to an aerial on the roof of the building, so that a practical demonstration can be given.

It is recognized that the average person who comes into the store to buy a radio set has no clear idea of what he wants. He is, therefore, invited to inspect the permanent displays, while a salesman explains the salient points of each set in succession.

"This," says the salesman, "is a crystal detector set. It is good up to thirty-five miles. It is the cheapest kind of set you can buy, but you can listen over it only through head phones. The next set is about like the first, excepting that a small vacuum tube detector is used in place of the crystal. You have to have extra a dry cell and a small "B" battery to operate the tube. You must use head 'phones, also, on this set but the receiving range is much greater, or for the same distance the sound will be

much clearer than over the crystal set. This one will cost you about twice as much as the crystal set. This next is a regular tube detector and amplifier set and requires the use of a storage battery, in addition to this little "B" battery. You must still use head 'phones, but the signals on this set are very loud and clear and the range is as great as 300 miles. And this last is the kind of a set we would all like to have. It has additional amplifiers and a loud-speaking phone so that the whole



A single demonstration set, at the rear of the store, completely surrounded by clerks and a "radio mob," is not especially good merchandising method. A better way for demonstrating radio sets is shown at the right. Note the shelving and its uncluttered appearance. Too many new radio stores are disorderly. Order is the store's first law.

family may enjoy the concerts just as they would a phonograph."

The customer asks a few questions and usually the salesman can quickly determine which type of set he is most likely to buy and then concentrates his efforts on the sale of that set. If a broadcasting station is in operation, the prospective customer is invited to listen in on that par-

ticular set, or if the broadcasting station is not in operation and the customer hesitates in ordering, he is invited to come back at an hour when a demonstration can be given.

During operation of the broadcasting station a loud-speaker is kept in operation so that it can be heard throughout the store. This has never failed to draw a crowd and on the whole the system has proved effective in disposing of a great volume of radio equipment.

Getting at the Customer's Point of View

An interview with the manager of this radio department may prove illuminating. He is a young chap, we find, apparently not over twenty-five and he has come from the ranks of the wireless amateurs. His firm conducts several retail stores and there is a goodly number of salesmen under his command.

"Do you also require a knowledge of wireless on the part of your salesmen?" he was asked.

"On the contrary," he answered, "At least not at first. I find that such knowledge is more often than not a handicap. Of all my salesmen, only one has been a wireless amateur, and he is the least successful of the whole lot. The reason is that when a man who knows nothing of wireless asks a question, he wants it answered in his own language. This fellow launches off into a discussion of inductance and capacity, wave lengths and frequencies. The customer simply throws up his hands and quits. On the other hand, the most successful salesman on our force didn't know a thing about wireless and not much about electricity until he came with us. We conduct a school for our salesmen and they are taught the rudiments of wireless there, but always from the layman's point of view.

"We find that, as a rule, our customers don't care

about what's inside the case, or how the set is hooked together. What they do want to know is how far from the broadcasting station they can use it, how well they can hear, and how much it costs."

As I have said, this system has so far been productive of very large results—so far. But before you send for the carpenter to install a similar display, let me show you the other side of the picture. So far it has not been necessary to sell radio equipment. There has been such a shortage of all kinds of radio material, that the firm which sold most was the firm which had the most to sell with little regard for quality of the material or salesmanship. But there are many indications that this condition is about at an end.

It must be admitted that the sales scheme just described is ideal as long as one can get along without the brand of persuasive salesmanship that moves most of the world's goods. It facilitates the selection of a piece of apparatus from among a number of possibilities, by eliminating the jumble of goods on counters or in windows or confusing to the uninitiated. It cuts the salesman's task in half and makes order-taking easy. But is it so well adapted to order-getting?

Selling That Protects the Customer

Come now to another store in New York—not an electrical store, but one of high integrity widely known for its vigorous merchandising policy—which has installed a radio department. This store, while others have been taking orders for radio apparatus, has been selling it. *Selling* it, mind you, when they too might have been taking orders. In doing so they have sacrificed a great deal of immediate business. But they have built up a satisfied clientele, and the day is now at hand when they will pass the order-takers in volume of business.

The same idea had been suggested to the manager of this radio department—that is, building a set of booths each containing a type of radio set to facilitate selection. But he rejected it on the theory that radio apparatus ought not to be *selected*, but sold. In every case, he believes, the prospective customer ought to be induced to buy the very best type of apparatus he can afford, and under no conditions should a customer be allowed to select a type of apparatus that probably would not give him satisfactory service.

The manager of this department is himself one of the leading wireless amateurs in this country, and every salesman under him is also a wireless expert. And this, it ought to be noted, is the result of a carefully considered policy.

Wherein Radio Selling Is Different

Selling wireless sets is quite a different merchandising problem than selling ordinary electrical equipment, or, say, phonographs. Equipment of that nature may be expected to operate under fairly uniform conditions. Thus, an electric washing machine may be expected to give equally good service in New York City or San Antonio, Texas. A phonograph will give equally satisfactory tones in country or city.

Not so with radio. Not only does the quality of service rendered by a particular piece of apparatus vary with the distance from the broadcasting station, but is influenced equally as much by the topography of the surrounding territory, the immediate surroundings such as trees, buildings, copper roofs, and the like, and finally the size and construction of the antenna and the nature of auxiliary apparatus. It ought to be quite apparent then, that the man who sells radio sets, should have a pretty thorough understanding of the technical end of

wireless. Not that he should bury every prospective customer under an avalanche of technicalities. He should, rather, avoid technical discussion with lay customers. But he ought always to determine first of all the conditions under which a set will have to work before he recommends a purchase, and he ought to be prepared to lay out for his customer a plan of installation that will most likely give good results.

Of course, it is argued, more likely than not only average conditions will be encountered and the sets will work at the range expected by the manufacturer. That is the theory of the store which allows the customer to select his own set or which aims to sell him anything that appeals to his fancy. That is why most of the purchasers of radio sets are pleased with them, but is the reason also why a great number of potential radio fans have been discouraged in their initial attempts, and for a time at least have decided that radio is not worth any more effort and money.

Demonstrate Results Obtainable in Home

This second concern, like the first, offers the purchaser a practical demonstration of the machine he wishes to buy, but there is a notable difference in the method of procedure. The first concern have made their electrical arrangements with the idea of getting the best possible results out of the apparatus, so that the customer will be impressed by the demonstration. The second concern always sees to it that the best possible results are *not* shown at the store, in fact, the aim is to demonstrate results a little under those which might be expected when the machine is installed in the home.

In the first case, the purchaser is likely to be distinctly disappointed when his results at home fail to bear out the demonstration he has had. The second purchaser may

actually get no better results at home than the first, but he is delighted because he has actually been able to get better results than the expert salesman. This second firm, in fact, consistently understates its case for the very purpose of promoting satisfaction among its customers.

While the writer was in the second store a man came in who contemplated the purchase of a crystal set.

"I live about thirty-five miles from Newark," he told the clerk. "Can I hear the concerts broadcast from there with a crystal detector set?"

"Perhaps," said the clerk, "and perhaps not. Are any of your neighbors getting these concerts over a crystal set?"

"One man has a set rigged up not far away but the results are not very good. But my house stands higher than his and I think I could do better."

"Perhaps so. Are there many trees around your house?"

"Yes. Lots of them."

"Can you get an aerial up above the trees?"

"I think so."

"Well, my advice is this: go home and make sure you can get up an aerial two hundred feet long above the trees and running parallel to the direction of Newark. If you can, you might get pretty good results out of a crystal set. But I couldn't guarantee it. There are too many other things that might interfere. You would be taking a chance and I would advise buying a set with a tube detector. You would be pretty sure to be satisfied with that."

"But I don't want to put that much money into a set just now."

"Better wait until you can, then. A set that works indifferently is an aggravating thing. I'll sell you a crystal set if you really want it. It is supposed to work



Every now and then an important news event which can be planned for in advance offers a valuable opportunity for demonstrating a radio set. In the illustration shown, employees in a large office building are getting returns on a "world's series" baseball game.

up to thirty-five miles. I know a man who is working a crystal set at sixty-five miles from Newark, but I know another who failed to get anything at twenty miles. You might do better than your neighbor, but my advice is to get a set you are reasonably sure will work."

"Well," said the man, "I had made up my mind to buy a crystal detector set, but I guess I'll wait a while."

If the same man had gone to the first store, there is little doubt that in the same time he would have walked out with a set under his arm. The sales manager for the second concern, who stood nearby while this conversation took place, was satisfied with the brand of salesmanship displayed.

Beware of Deception in Demonstration

"You know," he said, "that we could cheat half the people who come in here after radio sets. That's the trouble with this business. It's too easy to cheat people, and a lot of dealers are doing it. But that sort of thing has been carried just one step too far and the public is getting wise. It is true that the average man doesn't know what is inside the box he buys—when he buys it—but he does care when he gets the thing home and it won't work. This house counts its business integrity a very precious thing and we would rather lose a few sales of radio sets than lose that possession.

"Furthermore, we intend to stay in the radio business. We intend that this department shall be permanent and we want our customers to come back here for additional parts and supplies. To that end we handle only goods of recognized value and we have sacrificed a lot of sales on that issue too, because that kind of goods has been hard to get. But that situation is easing up somewhat. That policy is working out to our benefit for already the public is beginning to know value in radio supplies. People

who, a few months ago, knew hardly anything about wireless, come in demanding certain makes of head-phones and certain other makes of condensers. We have no trouble at all in getting \$15 a pair for a certain make of head-phone, but I don't believe we could sell at all certain other head-phones which bear no trade mark.

Sell an Instruction Book with Every Set

"Another very important part of our selling plan is to try to interest our customers in wireless further than merely putting up a receiver that will catch the concerts sent out by the nearest broadcasting station. We always try to sell with the set a book which explains the fundamentals of wireless communication and we try to show a man the fascination in adding to his plant from time to time so that he can reach out further and further into the ether, and hear the far-distant stations. We would like to have all of our customers learn something of the codes and wireless practice so that the things they hear will not be just Greek to them, but interesting.

"We anticipate that a great deal of our business in the future will come from those people among the thousands who are now dabbling in wireless, who become 'radio bugs'—people who make it a hobby. The kind of a fellow who is satisfied to buy a crystal receiver set and let it go at that isn't just naturally a good prospect for future business. He must be trained.

"Already the craze for radio is beginning to die down. Salesmen for hundreds of new radio manufacturing concerns who a couple of months ago would not even pay attention to a small order, now are quite humble and willing to make some small concessions. We have felt the drop in demand from the public, as have all the rest of the dealers, but probably not to so great an extent as some. But one thing is pretty sure; the day of order-

taking in the radio business is just about over. From now on radio sets will be *sold*. We have been selling from the very beginning and we are certainly in a better position to keep right on selling than most of our competitors. In carrying out this policy we have sacrificed a good deal of business and we have been called foolish. But we are proud of the fact that of the hundreds of sets we have sold only one has come back, and that through no fault of ours. Our policy is beginning to bear fruits, now that things are quieting down, and we are quite satisfied with the results.

"There is a great deal of virgin territory in the country still. The force of this radio wave has spent itself in the big cities of the East, but in hundreds of communities it is just beginning to be felt. Of course, we supply only a local demand and are not directly interested in what goes on in other cities, but if I were extending this business to the still virgin territory, I would insist that this conservative policy be carried out."

In the foregoing cases, extreme divergence in the demonstration and sales policy among the scores of stores in New York City which are selling radio appliances has been cited. The average radio store stands in the middle ground between the two. There are, of course, a great number of small fly-by-night stores which have come into existence with the sudden tremendous demand for radio supplies and will just as surely go out of business in the near future. They need not be considered.

Work Out a Sound Demonstration Policy

The problem is, how shall the average merchandiser of radio supplies demonstrate his goods and direct his sales so as to dispose of the largest possible volume of goods, and at the same time to protect the good name of his institution?

It ought to be remembered first of all that the average man or woman has only a vague or confused idea of the various types of apparatus and their purpose. No better suggestion can be found than that the booths, each containing a representative type of apparatus, present clearly to the prospective customer the various types from which he may choose.

The idea of giving the prospective customer a practical demonstration through an aerial on the roof seems to be generally approved. There is no stronger argument to the novice who has never "listened in" on a radio concert, than actually to put a pair of 'phones to his ears and let him hear for himself what the little set before him holds in store. Even when no practical demonstration is possible, it would seem advisable to have one or two completely assembled sets on display, quite apart from the usual confusing array in the showcases and on tables.

It would seem also that the logical thing, following the example of the conservative dealer, would be to select demonstration salesmen from the ranks of wireless amateurs, of which every city and town has had its quota for many years past. These salesmen ought not to be left to their own resources in making sales, but carefully instructed. A few may be found who have chosen salesmanship as a profession, but as a rule they will have to be impressed that during working hours they must forget as much as possible about wireless and learn as much as possible about salesmanship. Their special knowledge of wireless should never be displayed unless some problem that ought to govern the selection of a set arises.

Provide Wiring Diagrams

Complicated instructions for erecting sets ought never to be given to a customer verbally. Usually wiring diagrams accompany the sets and the customer may be

depended on to follow these. If instructions seem especially necessary or desirable, they ought to be put in the form of a letter, accompanied by necessary sketches.

The attention of the customer who buys a set ought finally to be drawn to two or three pieces of auxiliary apparatus by means of which he can increase the efficiency of his set. Just as the phonograph industry derives a great part of its revenue from the sale of records, so a permanent radio industry will live largely by the sale of parts and appliances. The customer who comes back for more after his initial purchase of a set displays a healthy interest in radio that should be encouraged.

Demonstrating a radio set isn't just a simple matter of "do this" or "don't do that." On that particular feature of the sale depends a great deal whether the customer buys what he really needs, and is satisfied with his purchase. His whole future interest in radio may hinge on that initial impression.

It is almost as dangerous, it seems to the writer, to understate, as to over-state the case of radio to the prospect. But care ought to be taken to make it very clear that the results are never the same under any two sets of conditions, and to urge that the store which sells the set is vitally interested in the results it gives.

The radio salesman must sell not only sets. He must sell service and satisfaction. Every demonstration must be built around this important fact.

CHAPTER XII

INSTALLATION AND SERVICING

For the purpose of classifying the kind of installation help and servicing required of the store selling radio goods, it is necessary to keep in mind the distinction between the non-technical and the technical customer.

When a man is interested in radio to the extent of wanting a set solely for the entertainment it will bring him in enabling him to pick up music, lectures, weather reports and time signals from the air, his interest is non-technical. He is popularly styled a "fan." Results are what he wants, with small regard for the means by which the results are obtained.

The "nut," on the other hand, accumulates a technical background, and manifests keen interest in the function and construction of each individual part. Every envelope and card in his pocket is covered with circuit diagrams, and it is a poor evening indeed when he doesn't try some experiments in new "hook-ups."

Obviously, the "fan" is the man who wants his set installed for him. The "nut" will get as much fun from placing his own set in operation as he will derive later in making use of it. He will usually need some good advice, however, and ought to be coached up on the particular rules and regulations applying to radio installation in his part of the country. The importance of a suitable lightning arrester should be brought out, and the added safety of a ground-switch ought to be emphasized. Unfortunately, the "nuts," particularly the younger members of the fraternity, are prone to overlook those features of

installation which do not contribute directly to the detection and reproduction of radio waves.

While the practice of making installations on sets is by no means general, still it is a fixed policy with many successful retailers to supply installation service whenever the customer desires it. Some of the advantages of the plan are, that it makes certain that the set is turned over to the new owner in his own home in working order; that it insures a neat installation that will appeal to other prospective customers who see it; that it provides for the



Remember that one drop of acid will ruin a rug, especially a valuable rug. Therefore good servicing will provide a suitable holder for the radio storage battery, when the set is installed. This is a type of service that will build future business.

use of lightning arresters, properly mounted; and that it tends to prevent the jumble of wires common to the amateur's hook-up and which nearly always confuses the beginner.

Experience has shown that the first concert received in a new owner's home tends to confirm or destroy his radio enthusiasm. After he has worked up his ardor for the art

to the point where he actually buys a set, the "fan" is on edge for the first notes of the broadcasted concert to come through his bulbs. If, when the set is tuned up for the 9 o'clock concert, the music is received clearly and distinctly, then the "fan" becomes a dyed-in-the-wool enthusiast and a good customer of the store that sold his set. That good first impression is a valuable thing to work for.

Neat Wiring Adds to Attractiveness

Neatness of wiring is an important factor in shaping the impressions of a person who views a radio set for the first time. A jumbled mass of wires interwoven all over or under a table prompts the remark: "My, what a complicated affair! I'm sure I'd never learn to operate it." On the other hand, neat, workmanlike wiring conveys a distinct impression of simplicity. When an electrical worker installs a set in a home, the job looks inviting and interesting to the outsider and makes it easier for the visitor to visualize a set in his own home.

In this connection it is an excellent idea to have some little brass plates made, reading:

This Radio Set Was Sold and Installed by

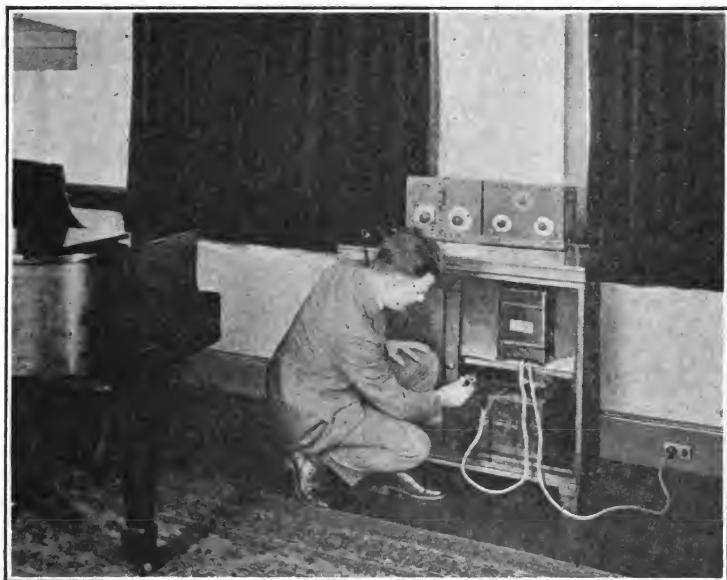
.....Electric Company

Any name-plate firm can supply these at a moderate figure and they can be attached to the set with small brass brads.

Some form of lightning arrester is, of course, required by the underwriters and a ground switch is strongly recommended. The proper placing of these safety devices is a simple matter to the electrical man.

Use Own Men for Installation Work

Experience has shown that the most satisfactory results from store-directed installations are obtained where the store employs one of its own men to do the work. In the case of a contractor-dealer, where one or more good wiremen are permanently employed, it is a simple matter to assign a regular man to the radio jobs as they come up.



Home installations need not and should not be unsightly. How easily and how neatly a rectifier may be used to recharge batteries is shown in this picture.

Some contractor-dealers find that it helps to close a sale with the "fan" type of customer to be able to say "yes, we will take care of putting it in for you." An added confidence in the set is given by the assurance that an expert electrical worker will see that it is put in, ready to operate.

Where a shop does not employ wiremen regularly it is often advisable to make a part-time arrangement with

some electrician to handle radio installations. These jobs can be paid for on an hourly basis, which ensures good workmanship, provided the man selected has the necessary skill and experience. One store in the East tried out a plan by which they paid an electrician a flat rate of \$10 for every set put in. This plan worked out badly for the reason that no two jobs present exactly the same difficulties, and on a job that needed more than average time and care, the electrician was inclined to slight his work and get through as quickly as possible. This, of course, had a bad reaction on the customers and tended to dampen their interest in the whole radio idea.

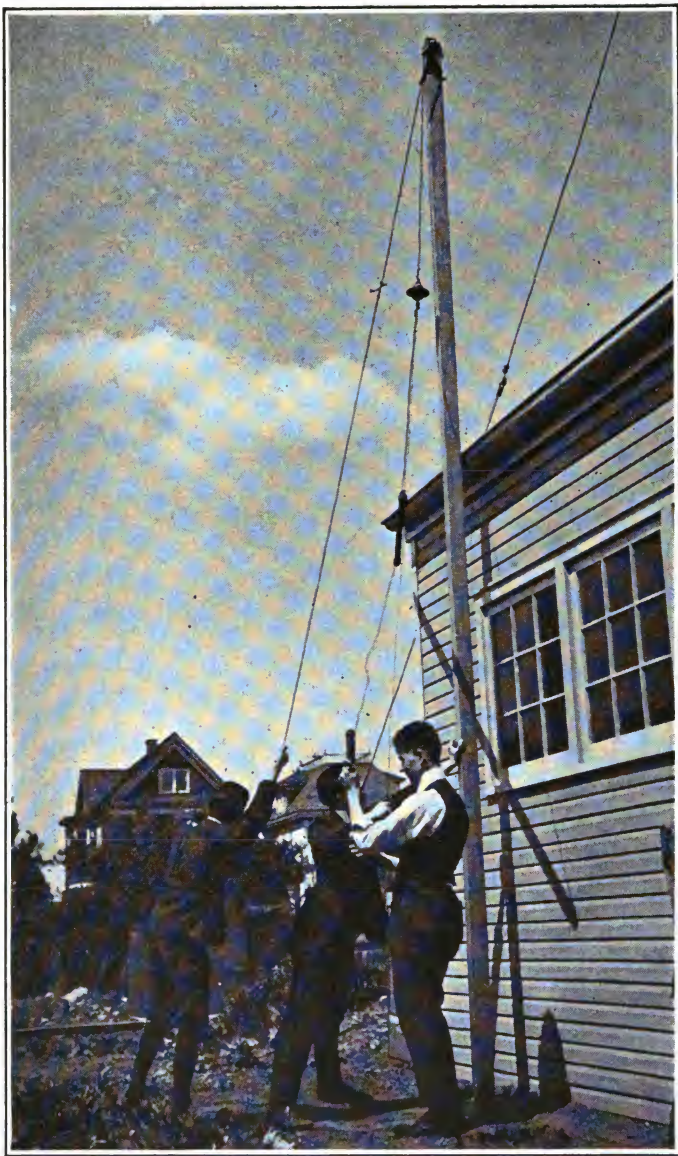
Or Use Established Electrical Contractor

Many stores selling radio sets have made up lists of reliable electrical contractors, and have adopted the practice of referring customers to the man on that list whose shop is located nearest the customer.

How necessary it is to investigate the electrician before recommending him is brought out by an experience related by the radio manager of a New York specialty store. A suburban customer came into the store in question, and after looking over the radio goods very carefully, selected a set valued at \$50. When the customer asked if the store would put it in, the salesman explained that the store did not handle installations, but advised the customer to get in touch with his local electrician.

It happened that the customer lived in a very handsome home, and when the local electrician arrived on the scene he was much impressed with the evidence of prosperity about the place. He installed the radio set and submitted a bill for \$195.

"That," said the radio manager, "is a thing that wouldn't happen once in a dozen years. But it must never happen again to one of our customers, and we now



When it comes to putting up the antenna, a radio dealer can build goodwill and more business by sending out a competent man to help "put up the wires," especially when the customer wants this kind of service. Let the salesman pull off his coat and be "one of the boys."

find out something about every electrician before we list him for installation work."

Never Do Work at a Loss

Where a firm does handle radio installations itself, the work should never be done at a loss. Some firms charge the customer at cost, but there is no good reason why the installation of radio apparatus should not show a profit.

Work of this nature is just as useful and constructive as wiring work for convenience outlets or lighting fixtures. When a man makes up his mind to have radio music in his home as an entertainment feature, a difference of \$5 or \$6 in the installation cost is not going to make him hesitate. Where installation work is handled by the store that sells the sets, it certainly ought to show a profit of 10 per cent, according to dealers whose merchandising policies command respect because of their marked success.

Getting at Cost of Installation

The installation of radio sets falls into two general classes: sending and receiving stations; and stations designed exclusively for receiving. Sending stations require a much more elaborate aerial, but are usually put in by the owner. Sending station owners are normally of the "nut" class, and will want to have the fun of doing the work themselves.

Receiving station installations can be classified with reference to the type of home served into these five general groups: (1) apartments, (2) double houses, (3) city (separate) houses, (4) country houses, and (5) farms.

Where a dealer is handling a large amount of installation work it will pay him to check the cost in detail on one job in each group he is called upon to serve, and file his data in the office for future reference. Then when a customer asks for an advance estimate on installing a given type

of set, reference to the cost data will enable the store to name a figure that will cover the cost of the work, and also yield a profit.

In apartment installations, where the home is reasonably near a broadcasting station and two or more steps of amplification are used, an indoor loop antenna may serve the purpose satisfactorily. When an outdoor aerial is required it necessitates getting permission to mount it. Such permission must be obtained from the building superintendent or the owner. It involves a roof antenna mounting, and a lead-in wire extending down the side of the building. Time and material are easily checked on such work, and figures on these two items will prove to be valuable office data.

With double houses and the typical single city house there is usually a back yard to work in, giving more freedom on aerial construction. In the country there are trees and flagpoles and chimneys that present definite antenna help and make the job of getting the wires well up an easy one. When it comes to the farm, the problem is even easier for there are the windmill and the barn cupola to serve as aerial anchors.

What the Cost Seems to Be

"We have been installing radio sets in city homes for several months," said an eastern radio dealer recently. "We find that the cost of installation for this class of work usually runs about ten per cent of the retail price of the sets, basing this on the better class of equipment. When customers ask about the cost of having their sets put in we tell them that the service will amount to about ten per cent extra, but we check our costs as we carry the job along, and render a bill that may be a little more or a little less than ten per cent. We make our installation work pay for itself in any case."

Inquiry at ten New York city radio shops relative to the cost of handling installation on the ordinary set brought out the opinion that the figure should run between \$10 and \$15, within twenty-five miles of New York city.

Service Starts before the Sale

There are two conceptions of service. The old idea was to sell a customer anything he asked for and then get his money. After that such adjustments were made as might be required to prevent the customer from becoming an actual enemy.

In the broader conception of service to the customer, the salesman is expected to find out what the customer really needs to fit his particular conditions and, if possible, supply those needs.

One of the first steps in the servicing of radio goods is to make certain that the thing the customer seeks to buy will give him the results he wants. When a man sells a crystal radio set to a customer who lives 300 miles from a broadcasting station he is placing in the hands of a new user a device that may, under the most favorable conditions, pick up a little sound once in a great while. That is not service. That does not give the customer the result that he wants. When the customer gets his set home and it fails to give him the volume of tone that he expected his first reaction will be against the dealer who sold the set to him. His second impulse will be to decry radio as an institution, and to tell every neighbor he meets what he thinks about it.

Suppose, on the other hand, that the dealer explains to the customer the definite limitations of the crystal set, and shows him the workings of a vacuum tube. Suppose that with a little patience, the dealer finally sells him a really good two- or three-step set. That man becomes an ardent booster for radio and in all probability induces one

or more of his neighbors to buy a set. And the natural thing for him to do, under the latter circumstances is to refer his neighbors to the same dealer who sold him his own set. That is the way intelligent service pays.

Test Every Part before Selling It

Another bit of servicing that should precede the actual sale is the testing out of each item in the presence of the customer. For testing vacuum tubes, a socket can be installed on the edge of the radio counter and connected with an "A" battery. Coils can be tested for continuity of wiring with a simple battery and buzzer set. Detector crystals can be tried out for sensitive spots with buzzer sets, etc. Complete sets, where the store is not to make the installation, should be connected with the store aerial and tested before being placed in the customer's hands. The point is that when a customer actually sees that his goods are in perfect condition when he receives them he will hesitate to call up on the telephone and complain the instant some little thing goes wrong with his set.

A common mistake that violates the principles of good service is the over-statement of manufacturers' guarantee. When a sale is not easily made it is natural for the salesman to enlarge upon the desirability and capability of his product. But if he overstates the possible accomplishments of a radio set, he is making future trouble for his store. If he overstates the guarantee and makes too broad an offer of replacements, he is laying his store open to standing the cost of the customer's mistakes.

Adjusting Service Complaints

When a customer comes back to a store with a radio part that he claims to be defective and demands replacement without charge the easiest thing to do is to give him the new part at once. But this procedure is not necessarily the fairest thing to do.

If the part was in good condition when it left the store it is quite possible that its failure to do what the customer expected is his own fault. He may have a mistaken idea of what that particular piece of apparatus may reasonably be expected to accomplish. Or he may have made some errors in connecting it up that resulted in damage to the part, or in its imperfect operation.

In either case the customer ought to be straightened out in his own mind first. If the conversation brings out the point that the fault lies with the customer, an appeal to his own sense of fair play will usually answer the problem.

If it is established that the fault was definitely with the piece of apparatus in question, then, of course, that part should be replaced without charge. But it is a mistake to handle such complaints without investigation—a mistake that will cost a lot of money in a short time.

Testing Parts for Customers

In line with intelligent radio servicing, the plan of one New Jersey dealer ought to be mentioned here. This store maintains a small radio laboratory with a competent man in charge. When a customer has any doubt about a part of his apparatus he is at liberty to bring it into the store and have it tested. This service is free, and applies to any make of equipment, whether originally sold by the store or not.

With articles sold by the store there is the definite advantage of being able to show the customer that the device is in good order, if that is really the case. If there is some slight defect it can often be remedied on the spot, or replacement made.

With parts not sold by the store, the test is equally valuable from the store's point of view. If the part tested is "OK" then it is often possible to suggest other

pieces of equipment which, if used in conjunction with it, will improve its operation. And where actual defects are found, new goods can be sold for replacement.

Servicing by Telephone

Some electric stores have been forced into the servicing of radio sets by telephone. Shortly after 9 o'clock, when the evening concerts are being broadcasted in full swing, the electric shop telephone begins to jingle. Inquiries vary from "How can I tune out the Brooklyn Navy Yard?" to "Send me up another 'A' battery. My lamps won't light!"

Some stores find it handy to keep a card index of their radio customers, listing on each card the equipment owned. Then when an amateur calls up on the 'phone and says he is having trouble, it is an easy matter to look over his card and make some suggestions that will help put the set back in working order.

In communities where there are relatively large numbers of radio owners within a radius of two or three miles of an electric shop, a battery delivery service can be made to pay. One radio shop in Chicago keeps charged storage batteries on hand at all times and will deliver them at any home within a given radius up to 10 o'clock at night. When the fresh battery is left at a home, the battery it replaces is taken back to the shop and recharged. For this service the "fan" pays a fee that covers the cost of making the delivery and the cost of the battery charging.

Making Service Calls at Residences

Another service idea that embodies some good sales initiative is used by a firm in New Jersey. The electric shop selling radio offers to look over without charge the radio set of any "fan" who desires advice. The shop suggests that such service calls can best be made in the evening when the concerts are going on.

When the store representative arrives at a home by invitation he inspects the radio set as installed, checks over the wiring and makes any suggestions that may occur to him for its improvement. Then if the set is equipped only with receivers, he takes a loud speaker from his bag and connects it up, just to show the family how well it works with the present equipment. Frequently a sale results on the spot. And if the loud speaker fails to interest the family, the electric store man connects up some additional receivers, so that everybody in the room may listen in.

In the same way he shows the owner of a one-lamp outfit what two-step amplification will do for him, and introduces the marvels of vacuum-tube receiving to the "fan" who is using a crystal set. It pays well to demonstrate radio equipment in the home of the user and this plan provides an easy opening to such demonstrations.

Quite aside from the regular lines of service to radio customers, opportunities are constantly being presented for special bits of headwork on the part of the radio dealer that will build tremendous good-will for him.

Not long ago a woman customer was looking at a \$300 radio set and had practically decided to buy it. Suddenly she turned to the salesman and asked:

"Isn't there acid in that storage battery?"

"Certainly," replied the salesman.

"Well, if we have a set we want to use it in our living room and one drop of acid would ruin our imported rugs. I'm afraid we can't take the risk."

Whereupon the salesman offered to have a neat tray made up for her, so that the rugs would be perfectly protected, and when he agreed to have the tray painted in any color that his customer might specify, the sale was closed.

In another case the prospective customer explained

that he would consider installing a radio set in his home, provided some arrangement could be made that would allow him to use the set in any one of four rooms.

The problem was solved and the sale made by mounting the set on a tea wagon, with ground and antenna wires terminating in attachment plugs. Conduit was then run to the four rooms and the antenna and ground wires were run through the conduit and walls to suitable outlets. It was then possible to wheel the radio set to any desired position and plug in its connections, ready for operation.

How to Test a Service Idea

Radio servicing, in general, is good when it actually helps the radio user to get more satisfaction from his set, without placing a needless financial burden upon the store which orders the service. The idea that customer service always means doing something for which the store gets no return is a false one.

There is an old maxim to the effect that a man values a thing according to what it costs him to get it. With overdone "free service" there is always the danger that the customer who receives it will consider it worthless.

When a dealer learns to consider radio as something more than a novelty or toy and recognizes it for the high quality source of home entertainment that it has come to be, he will get a better view of service. He will realize that he, as a dealer, is entitled to receive a just remuneration for any genuine service which he renders, and that the customer will be glad to pay a fair price for it.

CHAPTER XIII

HOOKING UP RADIO SETS

To the average electrical man the most difficult part of merchandising radio outfits is the explaining of various pieces of apparatus to the prospective customer. At least one-half of the purchasers of radio material are beginners and know little or nothing about the functions of each part. A good many people also wish to buy parts and assemble their own receiving sets, because this is a cheaper method, and because, also, they can become better acquainted with the parts and the place each one takes in the working of the set as a whole. The folks who do this have to be educated by the dealer. They want to know the best circuit to use and how each piece is connected up, and last, how to operate the completed instrument. Even those who buy an assembled stock set, will want information regarding the kind of aerial to put up, and also the tuning of the apparatus.

The larger dealer who has enough radio business to justify the employment of an expert to handle that department, need have no concern regarding this education of the public. For the smaller dealer, however, who has nothing to help him but his own ability to learn, these pages are written, and it is the earnest hope of the writer that they will be of real assistance in building up the radio department to a profitable business in itself.

The Best Kind of Aerial to Use

Since in almost every instance where a set is sold to a layman, the dealer must describe the kind of aerial to use,

let us first discuss the general construction and dimensions of this. For ordinary purposes, such as receiving concerts and amateur signals, an antenna seventy-five feet long, composed of four wires spaced eighteen inches or two feet apart will do very nicely. It should be at least thirty feet high, though much better results will be obtained if it is still higher. The wires should be carefully insulated at each end from the spreaders. For receiving, porcelain two-wire cleats or egg insulators will serve very nicely, but for transmitting, an electrode insulator is better.

The lead-in may be taken either from the center or from one end. In the latter case, however, the aerial will have something of a directional effect and will respond best to signals coming from the direction opposite the end that the lead is taken off.

Occasionally a long-wave tuner will be sold for the reception of continuous waves, etc., from over the sea or from our own long-wave stations in the United States. The best aerial in this case is a single wire, four or five hundred feet long, with an insulator at each end and supported as high in the air as possible.

There is a certain class of trade, beginners always, who will want to purchase low-priced crystal detector sets. Probably the first question such a customer will ask is how to hook it up.

Figure 1 shows a circuit to use. *A* is the antenna and *G* the ground. *T* is a receiving transformer. The pointers *P* merely represent the variable switches on this transformer. On the left of *T* is the primary or outside coil and on the right *S* the secondary coil. A tuning coil may sometimes be sold in place of the receiving transformer, in which case *P* and *P* go to the sliders and the other two leads go to the fixed end of the coil. *C* is a variable condenser of about .001 micro-farad capacity,

connected in parallel with the secondary coil *S*. *D* is the detector and *F* a fixed condenser. The 'phones *R* are connected in parallel with this condenser.

The majority of beginners who start in with crystal sets soon become so interested that they will want to improve and get a vacuum-tube outfit. Some will wish to get parts for a regenerative audion outfit and others will merely want to add a control panel and tube to their crystal set. Such a control panel can be added by doing away with the fixed condenser *F* and the detector *D* in Fig. 1. Then connect the leads from the secondary *S*

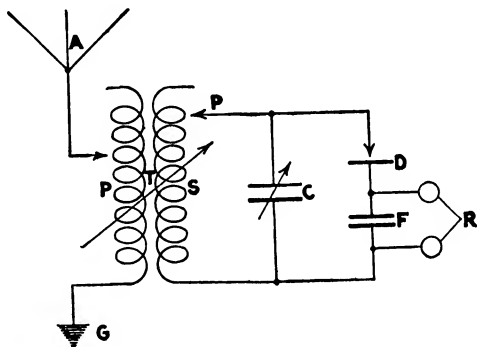


FIG. 1.—*A* is the antenna; *G* the ground. *T* is a receiving transformer. The pointers *P* represent the variable switches on the transformer. A tuning coil may sometimes be sold in place of the receiving transformer, in which case *P* and *P* go to the sliders and the other two leads go to the fixed end of the coil. *C* is a variable condenser of about .001 micro-farad capacity, connected in parallel with the secondary coil *S*. *D* is the detector and *F* a fixed condenser. The 'phones *R* are connected in parallel with this condenser.

to the binding posts marked "Input" on the control panel. The 'phones are connected to the connecting posts marked "Output."

In the event that the customer wishes to buy the socket, rheostat and tube, and assemble them himself, one of the secondary wires goes to the terminal marked *G* and the other to the one marked *F* on the socket. These terminals

F also go to the 6-volt battery, the rheostat being connected in series with one side, *P* on the tube socket goes to the high-voltage *B* battery and thence through the 'phones to the rheostat side of the 6-volt or *A* battery.

Circuit for Short-wave Regenerative Outfit

Figure 2 shows a widely used circuit where a short-wave regenerative set is desired. *V* is a variocoupler, with primary *B* and the secondary *S*. *C* is a small variable condenser of about .0005 mf. capacity. *D* and *L* are a grid condenser and grid leak respectively. *X* is a grid

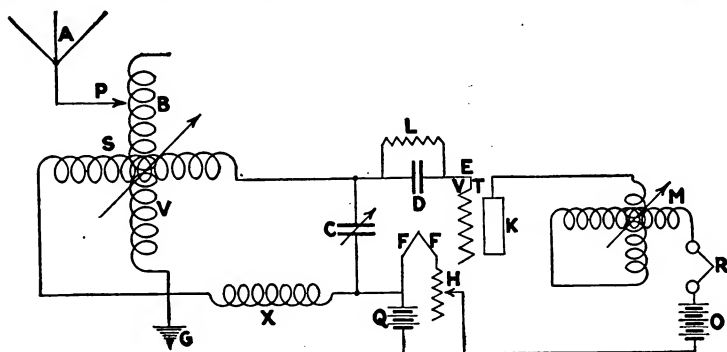


FIG. 2 shows a widely-used circuit where a short-wave regenerative set is desired. *V* is a variocoupler, with primary *B* and the secondary *S*. *C* is a small variable condenser of about .0005 mf. capacity. *D* and *L* are grid condenser and grid leak respectively. *X* is a grid coil of fixed inductance. *F* is the filament, *E* the grid and *K* the plate of the vacuum tube. *M* is a variometer, *O* and *Q* are batteries of 45 volts and 6 volts, respectively. *H* is a rheostat.

coil of fixed inductance. *F* is the filament, *E* the grid and *K* the plate of the vacuum tube. *M* is a variometer. *O* and *Q* are batteries—45 volts and 6 volts, respectively. *H* is a rheostat.

If a control panel is used, the secondary leads go directly to "Input" and the variometer is connected in series with the "B" battery. Should the purchaser desire to use two variometers, the condenser *C* may be left out and a vari-

ometer placed in series with the lead from the secondary which goes to the grid of the tube. The circuit otherwise remains the same except that the grid coil is left out.

Occasionally a question will come up as to the best circuit to use for long waves. The writer has found from practical experience that the one shown in Fig. 3 is the easiest to operate and will give as good results as any being used at this time by amateurs.

Here we have three honeycomb coils. *P* is the primary, *S* the secondary and *T* the tickler. *X* is a variable condenser of about .0015 mf. capacity with a short-circuiting switch *F*. *C* is the secondary variable condenser and has a capacity of .001 mf. The other symbols are the same as those in Fig. 2. The coil *S* may be on a fixed mounting, but *P* and *T* should be mounted on swivel plugs so that their angle with *S* may be varied.

For extremely long wave-lengths from about 15,000 to 25,000 meters, No. 1,500 coils are recommended for primary and secondary, with a No. 1,000 tickler. For 8,000 to 1,500 meters, No. 1,000 coils may be used with a No. 750 tickler. Number 750 used with a No. 750 tickler will give from 5,000 to 12,000 meters. There are very few arcs to be found below this wave-length.

Operation of the Sets Diagrammed

The operation of the crystal set of Fig. 1 is very simple. The first thing to be done is to adjust the detector until a sensitive spot is found. While "listening-in" the secondary should be tight inside the primary. Tuning is done by means of the variable condenser and also by varying the amount of inductance in both primary and secondary coils. When the signals are brought in loudest, sharper tuning may be had by loosening the coupling, that is, by drawing the secondary partly out of the primary.

In Fig. 2 we first turn on the filament current, generally

by means of a rheostat, which is advanced slowly until we find the place where the signals come in strongest without burning the filament too bright. The coupling of both the variometer and the vario-coupler is critical and must

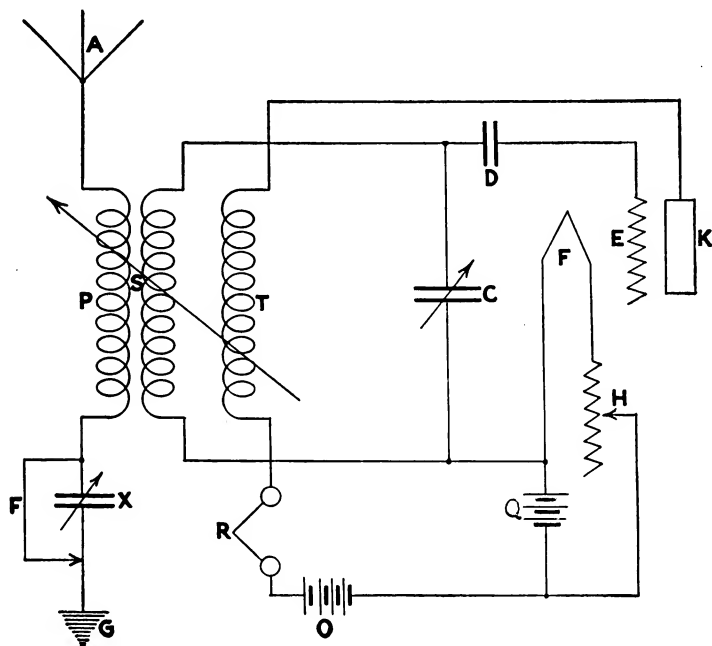
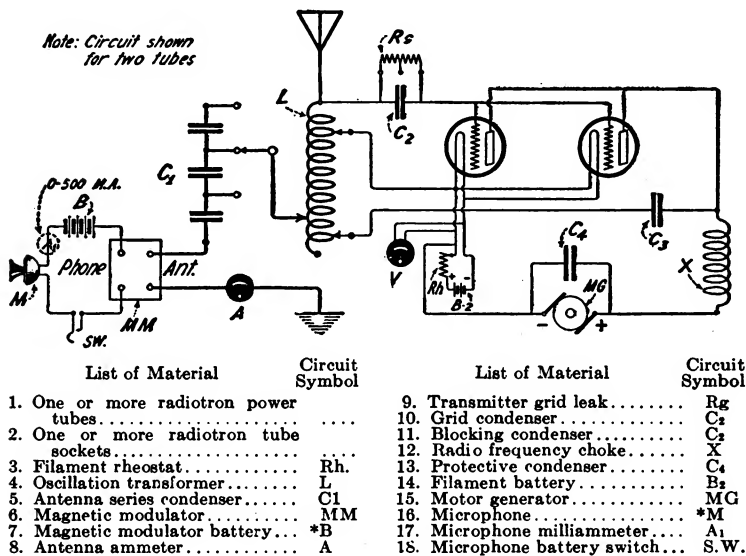


FIG. 3.—“Hook-up” for long waves. We have three honey-comb coils. *P* is the primary, *S* the secondary and *T* the tickler. *X* is a variable condenser of about .0015 mf. capacity, with a short-circuiting switch *F*. *C* is the secondary variable condenser and has a capacity of .001 mf. The other symbols are the same as those in Fig. 2. The coil *S* may be on a fixed mounting, but *P* and *T* should be mounted on swivel plugs so that their angle with *S* may be varied.

For extremely long wave-lengths from about 15,000 to 25,000 meters, No. 1500 coils are recommended for primary and secondary, with a No. 1000 tickler. For 8000 to 15,000 meters, No. 1000 coils may be used with a No. 750 tickler. No. 750 used with a 750 tickler will give from 5000 to 12,000 meters. There are few arcs to be found below this.

be carefully adjusted to the desired signal. Tuning is done by means of the variable primary on the coupler and by the variable condenser in the secondary circuit.

The long-wave set of Fig. 3 is operated much the same in Fig. 2, except that the inductance coils are not variable. The primary is tuned by the variable condenser X and S , and the degree of coupling between T and S is very critical.



* Four dry cells or 6-volt storage battery.

This radiophone circuit taken from a catalog of the Radio Corporation of America shows the amateur how to wire up the magnetic modulator, using direct-current plate supply. The table gives a list of the material illustrated, showing the amateur exactly what to get in order to put his station in working order.

Where completely assembled cabinet sets are sold to customers, the dials will all be plainly marked and the above instructions for tuning may be used.

CHAPTER XIV

SPEEDING UP RADIO SALES

WHEN the War ended in 1918 and thousands of young men found themselves free to resume the job of getting ahead in business, two of those thousands opened an electrical appliance and supply store in their home city—just an average American city. One evening an old “buddy” of theirs dropped in to say “Howdy” and look over their store.

“Say!” he protested after a glance around, “why don’t you boys wake up and put in a stock of radio goods?”

It sounded like a good suggestion, and a modest radio stock was ordered the next day. When the new line of goods arrived it was unpacked and given fair display, and every day or so a radio sale would be rung up.

A month later the friend who had influenced the partners to take up radio merchandise dropped in again, and at once asked how the wireless goods were moving.

“Fair,” said one of the owners, explaining that people bought sets and parts occasionally.

Disappointment spread over the friend’s countenance.

“I didn’t mean for you to put those goods in a case and wait for them to sell themselves. Why don’t you get busy and merchandise the stuff as other electrical men are doing? Size up your neighborhood systematically. Get an idea of just how many people around here own sets, and how many more are logical prospects for them. Then go after that business with a real merchandising plan. Make a friend of every man or boy in your vicinity who has the slightest interest in radio, and build up a

clientele of regular customers. Your radio goods ought to show steady and increasing sales."

When the partners asked for specific suggestions, the wireless enthusiast was quick to supply them. Together they worked out a radio merchandising plan for the store that resulted, after a few months, in making radio sets and supplies their leading line.

Some of the ideas they used in building up and speeding up a steady radio business are here described.

Taking a Radio Census of a Store's Territory

In order to plan any sales campaign intelligently, two kinds of primary data are essential. First, in the given territory, the competent store manager needs to know how many people are already sold on the idea of the product to be merchandised—how many people are actually using it. Second, he wants to know how many people not yet using the product may reasonably be expected to buy it if properly approached.

Information of these two classes applying to radio sets and supplies can be obtained in many ways. One of the simplest ways to tackle the problem is to enlist the help of the school boy, to whom anything connected with radio has a strong appeal.

An advertisement in the local papers, asking for school students to do spare-time work for the radio department will bring plenty of wide-awake applicants. Boys can then be assigned sections of the town, each boy being instructed to report the name and address of every resident whose house has an aerial connected with it. Boys can be paid for this work by the hour, by the number of wireless owners reported, or credited with a definite amount for each afternoon's work, this amount to be used for radio equipment as selected by the boys from stock.

Data of the second class—the names of good prospects

for radio equipment—may be obtained by furnishing the boys with blanks, arranged for the name and address of the prospect and a statement that the person named is interested in further information on radio sets. In paying the boys for this work, best results have been obtained by paying a flat price per prospect, with a special prize each week to the boy bringing in the largest number of signed cards.



Even the electrical dealer can "take the mountain to Mahomet" if it is necessary or expedient. This crowd, at the right, is listening to a radio concert captured from the ether by the antenna stretched along the top of the radio demonstration and sales car owned and operated by a New York radio dealer. His conception of sound merchandising policies prompted him to take radio "out on the street where the people are." Sales? Yes!

Given the two classes of names, the store manager has a fine foundation on which to build and speed up radio business. Every name in the first group represents an excellent prospect for improved radio equipment, and each card in the second list is a virtual invitation to make an initial sale.

Spreading the Idea with a Portable Demonstration Set

Radio sets have marked demonstration advantages over many of the interesting entertainment devices which

preceded them. When the stereopticon projector salesman staged a performance he had to bring with him the big red and black tanks of oxygen and hydrogen. For the arc-light projector that came out a little later, the operator had to run his electrical leads and mount a switch and fuse-box.



Government market and weather reports can be received by an amateur radioist out in the open field, using an aerial made by tossing a wire over the limb of a tree.

With radio the problem is simpler, and, within reasonable limits, wherever there is air there are wireless waves to be picked up.

With a good loop-antenna, and a three- or four-stage amplifying receiver, a portable wireless telephone set may be assembled that can be set up on a few moment's notice. When the Women's Club, for example devotes an afternoon or evening to the study of wireless telephony, a portable set makes it possible for the electrical dealer to give the club a practical demonstration that will go far toward popularizing radio in his town.

A little talk by the electrical man may well conclude with a tactfully worded invitation to the club members to visit his store and see the more complete sets in operation.

Church clubs and societies present another fine opportunity for the advantageous use of the portable receiving set. With religious services and sacred music being broadcasted every Sunday, a particular appeal can be made to church organizations of all kinds.

Other groups before which the portable set can be demonstrated are Y. M. C. A.'s, high-school clubs, charity organizations, boards of trade, Rotary Clubs, American Legion Posts, Automobile Clubs, dramatic clubs and choral societies.

Installation Service Starts Customers Right

Wherever a firm has the men available, it pays to handle the actual installation of radio sets for customers where they desire it. This service should, of course, be charged for at regular rates for the wireman's time. It has been found that where the aerial is put up in a workmanlike manner, and the lead-in wire brought in with care, so that paint and varnish are unmarred, the set so connected makes its new owner feel that a permanent fixture has been added to the equipment of his home.

The owner comes to regard his radio set as something to be maintained in a state of efficiency just as the telephone and the lighting system must be kept in working order. When a battery runs down or audion bulb burns out the owner of the well-put-in set gets busy at once to have his set put back in working order.

This installation service is not a thing to be forced upon a customer. Where the purchaser shows evident pleasure in planning to hook up his new set then by all means encourage him to do the job himself. But in cases where a man hesitates to buy a receiving set because

of the trouble of climbing a flag pole to connect the aerial, the installation service can be used to close the sale.

Supplying Engraved Cards for Radio Parties

No dealer can hope to talk regularly to every family in the community served by his store. If he could speak frequently to a representative of each home and convey something of his own enthusiasm for radio entertainment, his sales would jump.

He can, however, do much to help in getting the radio idea before groups of people who will talk about it. One of the ways to do this is to help owners of radio sets to give "radio parties" at which their friends will be entertained with music from the air and enjoy the sensation of dancing to the strains of music being played miles away.

Besides making helpful suggestions on how to conduct such radio parties, the dealer can furnish, at cost, engraved invitations, with spaces left blank for the date and the name of the host or hostess.

If There's a Movie Theatre Next Door

There's an electric shop in a middle-western city that is making money on radio sales by virtue of environment. Next door to this shop is a motion-picture theater giving three shows a day. And after each performance, crowds pass the electric shop's front door.

In a window attractively featuring radio sets, the store manager hung a sign inviting people to come in and hear a demonstration of the "Electric Home Theater." Inside, a receiving set with a loud-speaker serves to introduce dozens of callers to the possibilities of radio as a home entertainer, and the store has added numerous customers to its list in this way.

If there's a movie theater next door, the electric store man can make a friend of the theater manager by offer-

ing to post a program of his show in the electric store window. In return he can get the theater to run an advertising slide for him between pictures, telling the audience about the wireless sets for sale next door, and suggesting that they stop in on their way home.

Keeping a Radio Bulletin Board in the Store

It doesn't take a statistician to figure out that the oftener a radio owner comes into an electric shop selling radio goods, the more radio goods he will buy. Anything that makes the customer want to drop into the store regularly helps to build up steady sales.

Such an attraction is a radio bulletin board. It is a good plan to mount the board in the rear of the store so that visitors will walk through to see it, and in reading it, will not block up the entrance.

On the board the broadcasting programs should be posted, together with interesting clippings on radio subjects from newspapers and magazines. Newspaper cartoonists are devoting more and more space to radio subjects and clippings of the work of such men as Fontaine Fox, Clare Briggs and R. L. Goldberg always attract interest.

It pays, too, to post items about local amateurs who have picked up distant stations. Such items can be followed with a list of the equipment used by the amateur, and a note telling what such equipment costs in the store.

Reference to the radio bulletin board should be made in the newspaper advertising of the electric store, with an invitation to everyone interested to join the group of regular readers. At least one feature of the board should be changed each day in order to get readers in the habit of dropping in to see it frequently.

Getting Names of Radio Prospects in the Store

Every person who shows interest in radio sets in the

electric store is a person whose name is valuable for the mailing list, and it pays to make the slight extra effort necessary to get his name and address.

After such a visitor to the store makes a purchase of radio equipment his name can be obtained by explaining to him that a record is being kept of all radio goods sold, so that notices can be sent him of any newly remodeled or improved radio equipment as soon as it is placed on sale.

Our western store is getting results with a radio prospect name collecting plan that involves a combination radio text-book and catalog. When a man shows interest in radio sets, he is told that the firm is giving a copy of its radio book to every customer who fills out the prospect card. Besides having spaces for the name and address, the card shows whether the signer lives in a house or an apartment, and indicates whether the home is wired for electricity.

Lending Radio Sets to Merchants in Other Lines

With the widespread interest in radio communications that has grown up all over the country, every piece of radio apparatus has acquired unusual attention-getting qualities. Put a receiving set in the show window of a drug store or a garage or a bakery and every other person who comes along will stop to look.

This condition presents another business promoting opportunity to the radio dealer. By lending radio sets to his business neighbors to add to the interest of their windows he can materially increase the number of people in the community who consider radio as something to be added to their own homes at some future time.

When such pieces of radio apparatus are turned over to drug stores or shoe stores for window display use, the

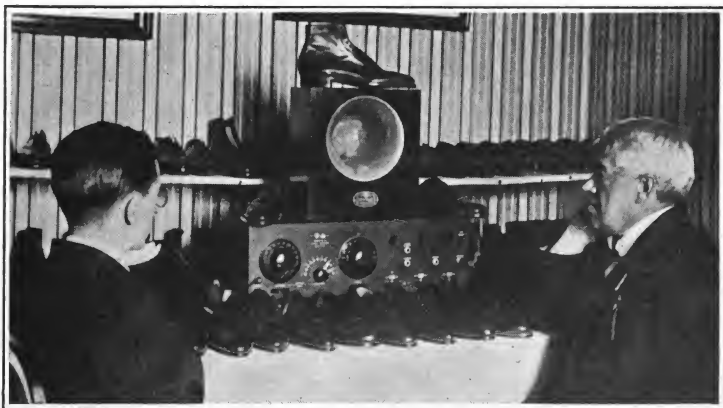
druggist or shoe dealer will be glad to place a card in the window reading:

**EXHIBITED BY
THE BLANK ELECTRIC COMPANY**

Such exhibits help to build up the thought that "this radio business is getting to be universal. We must look into it."

Selling Radio Time Service to Jewelers

Retail stores of all sorts are realizing the value of a radio receiving set as a customer attraction. The jeweler, however, has a particular need for good wireless receiving equipment. Exact time signals are being sent out by the Government. And the jeweler whose store is radio equipped can advertise not only "Correct time received by radio" but he can invite people to drop in regularly and check up their watches by wireless time signals



Just how a traveling salesman for a shoe house capitalized the popular interest in radio is shown above. The local shoe dealer came to hear and remained to buy. Why not sell a set to the traveling salesman, or to the hotel for the use of salesmen?

received over his set. It pays to consider the watch-maker as a first-class prospect.

Merchandising Radio Market News Service to Farmers

One-third of the total population of the United States live on farms. Most of these people are located where they are out of immediate touch with the outside world and the radio receiving set will bring to them the Government weather, crop and market reports. In addition it will bring them entertainment of a high order.

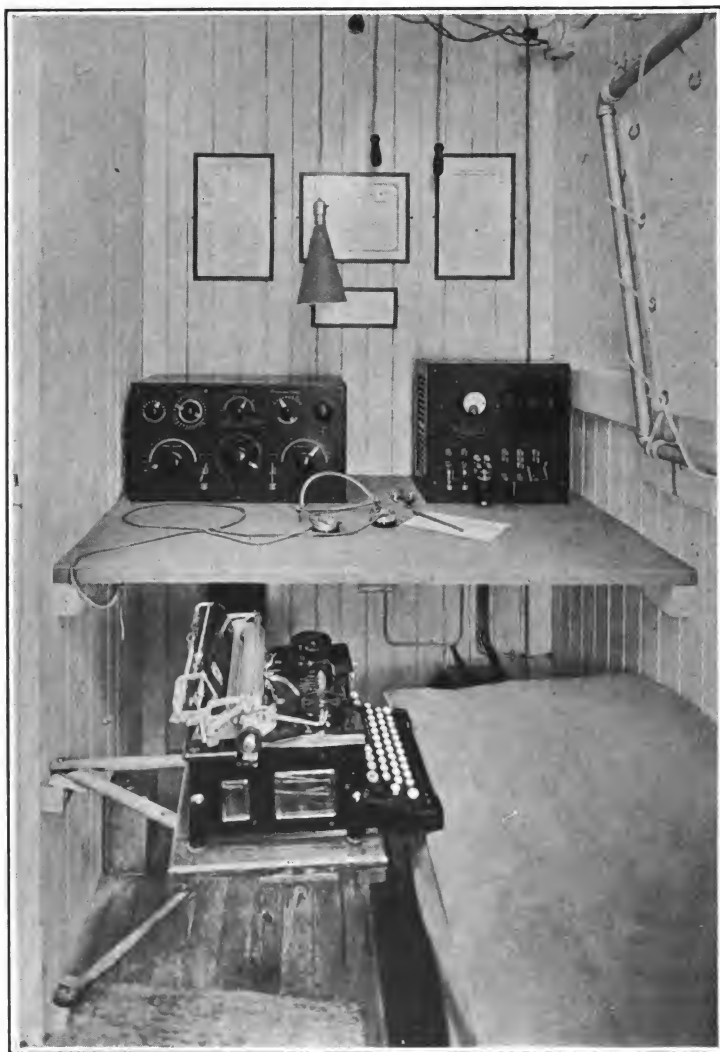
These are the radio advantages the electrical dealer has to sell to the farmer. And it is by selling this service in farm economics and entertainment that receiving sets are being merchandised to farmers with best results.

Every day radio stations of the Government send out reports on live-stock, grain, cotton, hay, feed, fruits and vegetable markets. In addition, the Chicago Board of Trade is broadcasting its market quotations at thirty-minute intervals.

With a radio set installed, the farmer can, by taking advantage of the daily market reports, ship his products to the best market. And the weather reports enable him to guard against crop loss by storm and sudden change of temperature.

Such features of radio-service may well be made the basis of a letter to send to every farmer on the mailing list. Invitations should be extended to farmers to visit the store and hear the sets in operation the first time they get into town. In some cases, too, it pays to offer to take a portable set to the farm for demonstration, and it is often possible to make a number of such demonstration calls in one day.

For electric stores located in towns in prosperous farming districts it pays to maintain a radio bulletin board featuring market, weather and crop reports.



A motorboat is not completely equipped nowadays unless it carries a radio receiving set. This is an installation onboard a cabin cruiser of the larger type, but even smaller motorboats have been successfully equipped to receive broadcasting service. No better advertisement for a dealer could be found than such a unique installation.



Every Motor Boat Owner Is a Radio Prospect

Wireless communication made its debut at sea, and the dramatic appeal of the marine wireless operator has associated radio communication with ships in the minds of millions. Radio is a natural item of equipment for the cruising motor boat, and endears itself to every powerboat owner.

Every electric shop that serves a community near a lake, sound, river or harbor has an excellent field for radio sales. Window displays of those sets particularly adapted by virtue of their compactness, for installation aboard the motor boat will attract plenty of interest.

Wherever possible, it pays to get photographs of local boats equipped with radio and put these on display in the store, together with the owner's name and a list of his radio equipment.

Another plan that produces motorboat sales is a demonstration for the local yacht club. This plan, in addition to bringing the wireless telephone before all the members, opens the way for the sale of a large set to the club.

Every summer increasing numbers of motorboat owners spend frequent week-ends on board their craft. Particularly attractive harbors sometimes find fifty or sixty visiting boats anchored over Saturday night. At such times a radio receiving set makes ideal entertainment for everyone within hearing. This feature, in addition to the weather report service made available with a receiving set, makes a splendid sales argument.

Baseball Returns by Radio Bring Crowds to the Store

In the baseball season, returns from the big games will halt the busiest crowds. With a receiving set, the electric store can arrange to pass the news of the national game on to the passers-by. A loud-speaker of good





The modern radio set is so light and compact that the "wireless bug" may safely take it with him even when he goes canoeing. On trips into the wilderness in vacation time he can continue to "receive" all the news of the busy world left behind him. The illustration shows one of the new light sets receiving from a kite antenna, at the left.

quality is, of course, necessary, and three or four stages of amplification are required.

Signs can be used in the front windows explaining how everyone who has a radio set can receive the returns right in his own home. A card suggesting that sets and prices can be seen inside will bring the best prospects from the crowd into the store to ask questions.

Much interest can also be attracted by passing returns of other athletic contests on to the street. Intercollegiate baseball, football and track meets always interest people, and form an excellent means of demonstrating the advantages of owning a radio set.

One New England dealer has found it profitable to look up coming athletic events and then get out a letter to his radio prospects, telling them that returns from the event in question will be available to every radio owner. By suggesting that the prospect install a set in time for the returns of that particular game it has been possible to close sales that had been hanging fire.

Using a Sending Set to Sell Radio Goods

Where a store is located in a city or town, well supplied with radio receiving sets, it often pays to install a sending set with a ten- or fifteen-mile radius. With this set, the store can send out phonograph music at those odd hours when the big broadcasting stations are silent.

In addition, the store can tell its wireless audience about the newest radio attachments which it has on sale, what these devices will do and what they cost. In cases where special sales of electrical applications are planned, these, too, can be announced by radio telephone. The addition of bits of local news will insure interested attention.

When the local high school team is playing a game out of town, for instance, the results of that game will be eagerly picked up by every receiving set within range.

Where the population of radio users is sufficiently dense, the sending set will be found a valuable force in speeding up radio sales.

Increasing Radio Business with a Clubroom

Where space permits, it will pay to set aside a small room or portion of the store for the exclusive use of radio-amateurs. Such a clubroom, as conducted by a New Jersey dealer, is fitted up with the latest types of radio equipment, both receiving and sending.

The amateur is welcome to drop in at any time and try the various devices, and discuss his own problems with other amateurs. When he wants some information on equipment, or the price of an article a salesman gives it to him promptly. But unless he seeks such information the amateur is not disturbed.

The plan has resulted in a remarkable increase in the radio business of the store. Men and boys who are somewhat uncertain just what they need to produce a given result in their own sets, drop into this clubroom, talk with other radio owners, consult catalogs and experiment with the equipment in the room. Having made up their minds as to what they want, they go out to the radio counter in the main store and make their purchases.

CHAPTER XV

HOW A CLUBROOM FOR AMATEURS BUILDS SALES

WITHIN the metropolitan district of New York City there are about as many amateur radio fans to the square inch as may be found anywhere in the world. Wireless telephones are becoming so common that it is practically impossible to run through the belt of amateur wave lengths at any hour of the day without being able to hear some fellow giving a concert on the phone.

Bill Who's this up in Yonkers talks to Jack Soandso from Hoboken, and both listen for a few words now and then from Bert Whatchacallem, whose station is at Far Rockaway, or Al What'shisname, over at Keyport, and they get to know each other pretty well and spend much of their time telling each other what sort of apparatus they are using and what radiation they are getting and what they expect to buy and what they wish they could sell. In fact, they seem to sit there trying to find things to say, just to keep an eye on their meter to see how much they are radiating. Chats "over the wire," as they like to call them, bring about friendships between amateurs for whom a trip from one station to another would require quite a journey.

There are also a great many radio clubs throughout the New York district. Communication between them is a very common thing and there has sprung up a certain amount of good fellowship, which has done a great deal to assist many amateurs to get the best possible results from their stations. Among the members of these clubs are many men, high in radio accomplishment, engineering



Here is shown a corner of the radio clubroom in a metropolitan electrical dealer's store, where New York amateurs may meet, use whatever apparatus they desire to test, read, or otherwise amuse themselves.

and merchandising, as well as operating. To bring them together has been thought to be a difficult, almost impossible task, up to now, but it is being accomplished.

The Dreyfuss Sales Corporation has had a retail electrical store in the downtown section of New York, where all manner of electrical supplies are handled, from fuses to washing machines. Some time ago this company decided to install a radio department. Now, to start any radio business, even in the early summer, requires a lot of nerve, but to start it in lower New York with hot weather coming on was openly termed "suicide" and "bad business." The same may be said of many other cities.

However, the department was installed and along with it a section of the store was partitioned off, to be used as a clubroom for the convenience of the radio customers. Here amateurs are made welcome and everything has been provided for their comfort and convenience. As will be seen from the illustrations, radio receiving equipment has been installed and there is enough table room for reading, working the apparatus or studying the circuits of equipment which is offered for sale by the store. An aerial has been provided, so that the apparatus may be put to actual test. Electricity is available for supplying the necessary power for lighting the filaments of vacuum tubes and operating the loud-speaker. In addition to the regular receiving cabinets, units may be secured at the counter and the patron may connect them any way he pleases. There is no attempt whatever made to "sell" any piece of apparatus. If information is requested it is given without any suggestion that the customer is expected to buy.

The Equipment of the "Clubroom"

Hanging from the walls of the clubroom there are blue-



The battleground upon which many pet "theories" are defended. This innovation in radio merchandising has proved of great value to the Dreyfuss Sales Corporation of New York City. Perhaps it would be of value to your radio department.

prints of standard hook-ups, for those who find it valuable to refer to them in assembling apparatus either for work there or at home. On a table in the center of the room is to be found a supply of radio magazines, so that the fellow who so desires may read and put the ideas his reading covers into actual practice. A large blackboard has also been put up and is accompanied by the necessary chalk and erasers. This board has proved to be the battle ground upon which many a controversy has been settled.

The clubroom is far enough from the store to prevent the doings therein to bother either the patrons or the clerks. The club is kept as a thing apart, and, though the fellows who make use of it must pass through the store, they do not interfere with the regular business, nor do the clerks pay any further attention to them than to bid them "good day" as they come and go.

In the face of the adverse comment which followed the inception of the radio club, it is interesting to observe the results.

How the Club Plan Works

Within six weeks after the radio department was opened, nearly every item of the original stock had been sold, and the business is improving every day. A personal tour of the downtown district resulted in the writer finding that most other radio departments and radio dealers were feeling the pinch of the usual summer-time radio slump. None of them was thinking of placing orders with manufacturers for more apparatus, and in several instances they had recently canceled orders which had been given previously.

But quite the reverse condition was found to exist in the case of the store with the radio clubroom. No previous arrangements were made for making the photo-



For instructing a class of amateurs or of radio salesmen, an ex-Navy or ex-Army man can frequently be found in any city of fair size. Such an instructor adds greatly to the interest in the "clubroom" or "class," and should make for more and better business.

graphs which are shown here, but there was a goodly crowd in the clubroom as well as at the counter.

Now Bill Who'sthis up in Yonkers and Jack Soandso from Hoboken and the fellows from elsewhere meet each other half way, at the Retail Radio Club, where they can discuss things as well as they could at home. Some of them are employed in the downtown district and make it a practice to drop into the club during the lunch hour. It is almost impossible to go in without running into some fellow to whom they have already spoken "over the wire." And there is always someone in the clubroom who will listen to them expound their latest ideas, as they illustrate them on the blackboard.

Then, too, there is always the possibility of running into one or two of the experts employed by some of the large radio companies, who may not be in too much of a hurry and are generally disposed to show the boys a few little kinks, or give them "the latest dope" on various radio topics.

The clubroom has proved to be a very popular lunch-hour meeting place and the business value of the scheme has been demonstrated quite well.

Saving Time for the Salesmen

In addition to the value of the clubroom idea, as a drawing card, it saves the salesmen a lot of time. Many amateur radio enthusiasts would rather talk radio than eat. They do not appreciate how valuable the time of the clerk in a busy store is and often require a few dollars' worth of time and information with a dollar's purchase. If the information is not forthcoming and the customer is treated with anything but the utmost courtesy and consideration regardless of the number of customers in the store, every other amateur within range of the shabbily treated one will know all the details before another sun

has set. The amateur is a very powerful factor in the building of a radio retail business and his good will is something which must be fostered at all hazards.

As a rule, the inquiring sort of radio customer does not care particularly about the source of his information, so long as it may be relied upon. Therefore, much time is saved the clerk who would otherwise have to go through a course of elementary electricity and magnetism with him while selling him a telephone diaphragm, if the customer can ask his questions of some of the fellows using the clubroom. By checking up the capers cut by a number of those who have availed themselves of the clubroom, it has been found that they nearly always drop in and look around for someone from whom they can obtain the desired information. Once having obtained it, they approach the counter like radio solons and seem to derive a certain satisfaction from being able to order the unit they need by name.

Plenty of Opportunity for Clubs in Other Cities

This clubroom idea is not entirely a new one; it was put to work in New Orleans nearly two years ago. It proved successful there, as it is now doing in New York. It can be employed elsewhere with just as gratifying results. It should be run with as little interference as possible from the staff of the store, though care must be taken to safeguard the equipment which is taken into the clubroom. There are still some youngsters who will steal, though the experience of the writer, as well as the case in view, indicates that the loss by theft and willful destruction is very small. Give the boys their own way and it will generally be found that there are enough appreciative youths to take care of those who would abuse the courtesy of the store, without any action on the part of the store's help or management. Most young men

who go into radio do it seriously and behave themselves accordingly.

Radio is attracting more and more attention in electrical retailing circles because it has been found to be a remunerative department where it is properly handled. The surface of its possibilities has only been scratched and it offers a great opportunity to the dealer who will push it properly. It would be foolish to suggest that a radio department in any store or any place could be made a paying proposition in six weeks, as was done in the case described, but there is certainly plenty of room for dealers who will make an effort to give the amateur what he wants and it is doubtful if there is any better way of letting him know what he wants than by the clubroom plan which has been outlined here.

CHAPTER XVI

GOOD BUSINESS RECORDS MAKE FOR PROFITS

IF the captain of a Trans-Atlantic liner putting out to sea from New York harbor, were to toss overboard his charts, compass, sextant, quadrant and chronometer and put his pilot into chains, his conduct would be criminal beyond measure or pardon. He would throw into instant jeopardy his ship, the lives of his crew and of a thousand or so passengers, and other ships and their crews and passengers as well. If a radio dealer, large or small, new or old, novice or veteran, attempts to do business without adequate and efficient business records, his conduct might not be criminal exactly, but it surely would be foolish and might even be disastrous for that dealer. And his conduct would be sure to make trouble for his creditors and probably for other radio dealers also.

Probably no business can prosper and certainly cannot live very long without competent records covering the financial transactions involved in the business. Progressive and successful business men often through long and sometimes painful experience, have come to recognize this fact as almost axiomatic. The dealer in radio cannot afford to disregard it. And this applies to the small retail store carrying radio as a side line, to the store retailing radio goods only, and to the radio department of the modern department store.

Competent business records, however, are not synonymous with complicated business records, nor records obtained at a heavy cost. Simply designed business records can be efficient. And such records can be obtained and maintained even without a bookkeeper.

If the new radio dealer, who must do his own bookkeeping, will examine carefully a simple business record designed for a dealer who does his own accounting and one that has been found to work satisfactorily, he will learn more about keeping simple but valuable records than he would from studying a treatise on accounting principles.

Such a system of easily kept records is available for study. It is known as The Business Record for Electrical Contractor-Dealers. It is designed for the business that does not employ a bookkeeper.

Here is what this Business Record will do:

It will give you a proper record of your business for your own information and for supplying information to your bank and to those from whom you buy.

It will give you the following information that you should have to properly conduct your business:

How much money you have on hand.

How much money you are owed.

How much money you owe.

What merchandise you have on hand.

What merchandise you have bought.

What merchandise you have sold.

Your cost of doing business.

Whether you are making or losing money.

Whether your profit, if any, is satisfactory.

Here is what the Business Record consists of:

1 Business memorandum book, 10×12 in., with fifty original sheets, perforated with carbon on back, and fifty duplicate sheets, not perforated.

1 Canvas-covered loose-leaf binder, 9½×12 in. with leather corners for Business Record, containing:

25 Cash Received sheets.

25 Cash Paid sheets.

3 Merchandise sheets.

GOOD BUSINESS RECORDS MAKE FOR PROFITS 191

- 25 Accounts Payable sheets.
- 3 General Expense sheets.
- 2 Investment sheets.
- 2 Trial Balance sheets.
- 50 Accounts Receivable sheets.

BUSINESS MEMORANDUM BOOK

Form 1 Copyright 1929 NAECB

SHEET No. 1

DATE	DETAIL OF TRANSACTION	AMOUNT OF ITEMS	AMOUNT TO ENTER
Jan. 2	Paid rent (check)		6.0
" 2	Sold Robert White's 1928 Buick 1 vacuum cleaner 1 toaster	5.5 1.2	6.7
" 2	Rec'd. % from Sam Jones		2.00
" 3	15 gal. gasoline (auto expense)		3.50
" 3	Office supplies (attempt)		1.50
" 3	Paid Electric Johnson Co. % (check)		3.00
" 3	Rec'd. % from Alex Brown		1.85
" 3	Change to Sam Jones 1500 St., wiring job completed		4.97
" 4	Office paid		7.50
" 5	Payrolls 1 - Production Labor	13.5	
" 5	Office and return wages	4.5	1.80
" 5	Sold Alex Brown 200 Park Blvd. 1 - XYZ washing machine - Terms Cash	2.5	
" 5	Rec'd. % from Rott White	14.0	1.65
" 5	Sold old auto (cash)		1.05
" 5	Bought Ford delivery truck (paid - check)		4.50
" 5	Insurance bill (paid - check)		6.50
" 5	Paid Appliances Sales Co. less 2% discount	1.00	4.5
" 5	Paid manager's salary (cash)		9.8
" 5	Rec'd. 1000 on office bill paid Jan. 4		1.00
" 5	Rec'd. % from Sam Jones		3.00

The business memorandum book is of large and ample size, permitting easy and rapid recording of details of transactions. Each entry is made in "original" and "duplicate." A certain paper does not have to be inserted, as the reverse side of the "original" is carbonized.

There is no reason why this simplified Business Record should not be used just as it stands, by the radio dealer. Items covering a radio business can be handled on the forms just as easily as items covering electrical toaster or flat-irons.

A detailed statement showing how to open the books, to enter transactions, to post cash entries, to balance

books, to close books, and an illustration of actual use, follows:

To Open Books

Take an inventory of all merchandise, tools, furniture and cash.

Enter on sheet headed "Investment" (Form 8, p. 198), in column headed "Paid Out," and enter on sheet headed "Merchandise" (Form 4), in column headed "Merchandise," the value of the merchandise, tools, and furniture as shown by the inventory.

Enter on sheet headed "Investment" (Form 8), in column headed "Paid Out," and on sheet headed "Cash Received" (Form 2), in the columns headed "Bank or Cash Drawer," all cash on hand.

If you owe any accounts, enter these in detail on sheets headed "Accounts Payable" (Form 5), in column headed "Credit," using a separate division for each account, and enter total of all these on sheet headed "Investment," (Form 8) in column headed "Received."

If you are owed for any sales, enter these in detail on sheet headed "Accounts Receivable," (Form 6) in column headed "Debit," using a separate division for each account, and enter total of all these on sheet headed "Investment," (Form 8) in column headed "Paid Out."

The amount shown by total of column on "Investment" (Form 8) sheet, headed "Paid Out," less total of column headed "Received," shows the worth of the business.

To Enter Transactions

Enter all transactions in Business Memorandum Book (Form 1—illustrated on other side of this sheet) at the time they take place.

This book has carbon on back of each perforated white

Drawer" or from "Cash Drawer" to "Bank," the amount must be entered on both "Cash Received" and "Cash Paid" sheets.

Enter all charges made on "Accounts Receivable" (Form 6) sheet, giving one section to each customer and in proper column on "Merchandise" (Form 4) sheet in the proper column under general heading "Received From."

Enter all bills for purchases not immediately paid for on "Accounts Payable" (Form 5) sheet, giving one section to each account, and in proper column on "Merchandise" (Form 4) sheet under general heading "Paid For" if for merchandise purchased, or on "General Expense" (Form 7) sheet if for a general expense item.

(When money is borrowed from the bank enter total amount of loan on "Cash Received" (Form 2) sheet in column headed "Bank," and open an account in "Accounts Payable" showing full details of loan and enter full amount of loan in column headed "Credit." If the interest is discounted, or when interest is paid, enter amount of interest on "Cash Paid" (Form 3) sheet in column headed "Bank" and also in column headed "Expense.")

Posting of Cash Entries

When each cash sheet is filled add each column and put down totals.

Enter totals of Cash Received "Bank" and Cash Received "Drawer" on next sheet headed "Cash Received," (Form 2).

Enter totals of Cash Paid "Bank" and Cash Paid "Drawer" on next sheet headed "Cash Paid Out," (Form 3).

Enter totals of columns on "Cash Received" (Form 2) sheet headed "Store Sales," "Job Work" and "Other

Receipts" in columns with same headings on "Merchandise" (Form 4) sheet.

Enter totals of columns on "Cash Paid" (Form 3) sheet headed "Merchandise" and "Labor" in columns with the same headings on "Merchandise" (Form 4) sheet.

Enter totals of column on "Cash Paid" (Form 3) sheet headed "Expense" in column headed "Received" on "General Expense" (Form 7) sheet, which should include all items applying to the following:

Salary and non-productive wages; rent, light, heat and

CASH PAID OUT									
Form 3 Copy 10 MS. BAL. REC.									
SHEET NO. 1									
DATE		PAID FROM		FOR WHAT PURPOSE					
		CASH	CASH DRAWN	MERCHANDISE	LABOR	EXPENSE			
Jan 2	Paid rent for month	6.00				6.00			
3	Order of money order		3.50			3.50			
	Office supplies		1.50			1.50			
	Balance, John Co. month	3.00							
	Deposited cash in Bank		4.00						
4	Expense 5th		7.50			7.50			
	Draw cash from Bank	1.00							
5	Payroll		12.00		13.50	4.50			
	Cost of Ford auto	6.50		6.50					
	Insurance	4.50				4.50			
	Office, John Co. 2nd mo	9.50		2.00					
	Draw cash from Bank	7.50							
	Salary (employee)		10.00			10.00			
	<i>Total</i>	132.00	694.50	14.50.00	13.50.00	242.50			

In this "Cash Paid Out" study the entries carefully and follow the various transactions through all the forms shown.

power; postage, telephone and telegraph; advertising; printing and stationery; freight, cartage and express; insurance; taxes; bad debts; association dues; interest on borrowed money; and all miscellaneous expenses.

To Balance Books

Use "Trial Balance" (Form 9) sheet, entering names of all accounts in column headed "Name," as follows:

Enter balance of "Cash in Bank" and "Cash in Drawer" (as shown by difference in totals of those columns in "Cash Received" and "Cash Paid" sheets in the "Debit" column of "Trial Balance.")

(Totals of other columns on "Cash Received" and "Cash Paid" sheets having been transferred to the columns with same headings on "Merchandise" and "General Expense" sheets, they are not used in "Trial Balance.")

Enter totals of "Merchandise" and "Labor" columns from "Merchandise" sheet in "Debit" column, and totals of "Store Sales," "Job Work" and "Other Receipts" columns in the "Credit" column on the "Trial Balance."

Enter balance of "General Expense" sheet in "Debit" column of "Trial Balance."

MERCHANDISE

Form 4 Copyright 1935 NAECD SHEET NO. 1

DATE	FROM WHAT SHEET		PAID FOR		RECEIVED FROM		
	NAME	NO.	MERCHANDISE	LABOR	STORE SALES	JOB WORK	OTHER RECEIPTS
Jan 1	Inventory Merchandise		500.00				
	Store		200.00				
	Auto		500.00				
	Inventory		100.00				
2	Baker White	Debit			47		
3	Sam Jones	"				497.50	
4	Appleby Sales Co.	Credit	17.5		16.5		
5	Ally Brown	Credit			81		453
	Goodwill sheet	"					
	Goodwill	"	650	135			
	Goodwill paid	"	625	135			
		Total	135		497.50	497.50	453
		Debit	1263.50		1263.50		
		Credit					
	In balance new inventory		359.50				
	New balance - Actual Inventory		5856.00				

There would be far fewer retail failures recorded, if all retailers kept a careful merchandising account. A simple and easy method of doing it is indicated in this form.

Enter balance of "Investment" sheet in "Credit" column of "Trial Balance."

Enter balance of all "Accounts Payable" and "Accounts Receivable" in either the "Debit" or "Credit" columns of "Trial Balance."

If entries have been correctly made, the footings of the "Debit" and "Credit" columns on this sheet will be the same and any difference shows that some mistake has been made. Mistakes can be located by checking back on your totals and the transfers made from one sheet to another. Take this balance each month.

ACCOUNTS PAYABLE

NAME Electric Johnson Co.

ADDRESS 116 Railroad St.

Form 6 Copyright 1931 N.A.E.C.S.

SHEET NO. 1.

DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance		15.0				
1	Bank paid	30.0					
<p>NAME <u>Appliance Sales Co.</u></p> <p>ADDRESS <u>116 Railroad St.</u></p>							
DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance		15.0				
1	Business memo book		17.5				
1	Bank paid	10.0					
		CHECK	CHECK				
<p>NAME <u>White Printing Shop</u></p> <p>ADDRESS <u>116 Railroad St.</u></p>							
DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance		2.50				

"Accounts Payable," in too many stores, receive inadequate attention. It should be remembered that a total figure for "Accounts Payable" appears in a financial statement as a liability. This account always needs the most careful attention.

ACCOUNTS RECEIVABLE

NAME Sam Jones

ADDRESS 116 Railroad St.

Form 6 Copyright 1931 N.A.E.C.S.

SHEET NO. 1.

DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance	39.0					
1	Bank rec'd.		20.0				
1	Business memo book	49.75					
1	Bank rec'd.		30.0				
		CHECK	CHECK				
<p>NAME <u>Ally Brown</u></p> <p>ADDRESS <u>116 Railroad St.</u></p>							
DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance	18.5					
1	Bank rec'd.		18.5				
1	Business memo book	16.5					
		CHECK	CHECK				
<p>NAME <u>Robert White</u></p> <p>ADDRESS <u>116 Railroad St.</u></p>							
DATE	FROM WHAT SHEET	DEBIT	CREDIT	DATE	FROM WHAT SHEET	DEBIT	CREDIT
Jan 1	Balance	7.5					
1	Business memo book	6.7					
1	Bank rec'd.		10.5				
		CHECK	CHECK				

"Accounts Receivable" also appears in a financial statement but as an asset. This account also has a very important bearing on the balancing of those financial elements and forces which determine annual profit. Let the dealer study this account as a factor in the determination of yearly profit, as described in Chapter XVII.

(This "Trial Balance" provides an exhibit of business operations from month to month, and each month should be carefully compared with previous months as to amount of sales and expenses and condition of accounts payable and accounts receivable.)

To Close Books

After trial balance is taken correctly, balance "General Expense" (Form 7) sheet by placing amount of balance in "Paid Out" column on same sheet, with the explanation "to close books," and close each column with rulings.

GENERAL EXPENSE

Form 7 Copyright 1933 NAECA SHEET NO. 1.

FROM WHAT SHEET				RECEIVED		PAID OUT		FROM WHAT SHEET				RECEIVED		PAID OUT	
DATE	NAME	NO.		DEBIT	CREDIT	DATE	NAME	NO.		DEBIT	CREDIT				
Jan 1	Balance				32.50										
	Exp. Paid Out			32.50											
	Total				32.50										
	To close books									32.50					

INVESTMENT IN BUSINESS

Form 8 Copyright 1933 NAECA SHEET NO. 1.

DATE	FROM WHAT SHEET		RECEIVED		PAID OUT		DATE	FROM WHAT SHEET		RECEIVED		PAID OUT	
	NAME	NO.	DEBIT	CREDIT	NAME	NO.		DEBIT	CREDIT				
Jan 1	Inventory, new merchandise			52.00			Jan 6	New Inventory				52.00	
	Cash on hand			1.00				Cash on hand					3.01.50
	Accts. Payable		8.00					Accts. Payable		6.07.50			
	Accts. Receivable			6.50				Accts. Receivable				5.64.50	
	Total		8.00	68.50				Total		6.07.50		6.72.00	
				5.00								6.07.50	
	Months of business			6.05.00				Present worth of business				6.11.4.50	
								Previous " "				6.05.00	
								Change				6.4.50	

"General Expense" and "Investment in Business" need most careful watching. Let the dealer beware of using "General Expense" carelessly, as a convenient "catch all." Be sure that anything entered under this account really belongs there. Notice how "Investment in Business" leads to a careful statement showing the actual worth of the business.

Then enter on sheet headed "Investment" (Form 8) as follows:

Balance of cash, as shown by difference in total of "Cash Received" and "Cash Paid" sheets, in "Paid Out" column.

Take actual inventory of merchandise, tools, auto and furniture. Balance the sheet headed "Merchandise"

[illegible]

The balance then shown on "Investment" sheet compared with balance shown at starting of books shows your gain or loss in period covered.

(When beginning a new sheet be sure to give it the next consecutive number.

When Business Memorandum Book is used up give it a number, enter on cover the dates it covers and give new book the next consecutive number. Retain the books for reference.)

Illustration of Use of System

The following transactions illustrate the mode of procedure to bring all the forms of the Business Record into operation.

The electrageist takes an inventory as shown below, opens the Business Record, conducts the transactions described, takes off a Trial Balance at the end of that period, takes a second inventory of his store and closes his books for the period covered.

Trace these transactions on the illustrations as shown on the accompanying forms, as follows:

1ST INVENTORY, JAN. 1ST

Merchandise.....	\$5,000	
Tools.....	200	
Auto.....	500	
Furniture.....	100	
	<hr/>	\$5,800
Cash in Bank.....	\$ 350	
Cash in Drawer.....	50	
	<hr/>	400
Accounts Payable:		
Electric Jobbers Co.....	550	
Appliance Sales Co.....	250	
	<hr/>	800
Accounts Receivable:		
Sam Jones.....	390	
Alex Brown.....	185	
Robt. White.....	75	
	<hr/>	650

TRANSACTIONS:

- Jan. 2.—Paid rent for month by check, \$60.00
 Jan. 2.—Sold Robert White and charged to his account, 1 vacuum cleaner, \$55.00, and a toaster, \$12.00; total, \$67.00
 Jan. 2.—Received on account from Sam Jones, \$200.00
 Jan. 2.—Store sales for cash, as shown by cash register, \$38.50
 Jan. 3.—Auto expenses, gasoline, \$3.50
 Jan. 3.—Office supplies purchased, \$1.50
 Jan. 3.—Paid Electric Jobbers Co. on account by check, \$300.00
 Jan. 3.—Received from Alex Brown on account of his check, \$185.00
 Jan. 3.—Deposited in Bank from Cash Drawer, checks \$385.00, cash \$15.00, total \$400.00
 Jan. 3.—Billed Sam Jones for new work, \$497.50
 Jan. 4.—Received invoice of goods bought from Appliance Sales Co., amounting to \$175.00
 Jan. 4.—Paid express bill, \$7.50
 Jan. 4.—Drew cash from Bank, \$100.00
 Jan. 4.—Cash store sales, \$42.50
 Jan. 5.—Received invoice of stationery printed by the Elite Print Shop, amounting to \$32.50
 Jan. 5.—Paid payrolls; productive labor \$135.00, office and store wages \$45.00; total \$180.00
 Jan. 5.—Sold Alex Brown washing machine for \$165.00, receiving \$25.00 in cash, balance of \$140.00 to be paid on time payments
 Jan. 5.—Received from Robt. White on account \$105.00
 Jan. 5.—Sold old auto for \$450.00
 Jan. 5.—Bought new Ford truck for \$650.00, paying cash
 Jan. 5.—Paid for insurance \$45.00
 Jan. 5.—Paid Appliance Sales Co. on account \$100.00, less 2% discount \$2.00, making net payment \$98.00
 Jan. 5.—Drew cash from Bank, \$75.00
 Jan. 5.—Paid manager's salary, \$100.00
 Jan. 5.—Received refund on express, \$1.00
 Jan. 5.—Received from Sam Jones on his account, \$300.00

Took "Trial Balance" on Jan. 6, then, for the purpose of closing the books for the period, took another actual inventory, as follows:

Merchandise.....	\$4,906
Tools.....	200
Auto.....	650
Furniture.....	100
	<hr/>
	\$5,856

Closed the Business Record, as shown by "Investment" sheet (Form 8).

Information as to price and the record itself can be obtained from the office of the National Association of Electrical Contractors and Dealers.

CHAPTER XVII

OVERHEAD AND PROFIT AND TURNOVER

WHEN a dealer gets out the old stub pencil and a piece of scratch paper in order to figure out just where he stands financially, the starting point of his thinking and of his arithmetic should be what is called "the merchandising equation." It is this: Purchase price plus margin equals selling price. And as margin covers the cost of doing business plus a profit, the equation may be re-written thus:

"Purchase Price Plus Overhead Plus Profit Equals Selling Price"

It would be a happy business world indeed, if every retailer and jobber and manufacturer were well enough acquainted with this equation to slap it on the shoulder every now and then and say, "Hello, Old Equation, how are you to-day?" And it would be an even happier world if every business man kept on good terms with Old Equation and invited him out to lunch frequently. But, surprising and tragic as it may seem, there can be found many men trying to be business men who have never shaken hands with Old Equation; others who give him a nod now and then, and even some who pull their hats down over their eyes and try to slip by without a hint of recognition. To all these Old Equation wiggles a warning in vain, for they hurry on their ways often by devious streets and even alleys to sleep at last in the burying ground especially reserved for business men who kept no books, who kept their figures in their heads, and who thought

they could beat out the simple rules in the arithmetic of merchandising.

All efforts to cut down overhead, to increase profit, to increase stock turnover, to build up the volume of business, and to increase the return on the capital invested in the business begin logically with a clean-cut recognition of the merchandising equation. Success or failure in the retail radio business just as in any other kind of retail, or even jobbing or manufacturing, business, lies in the skill with which the terms that make up the equation are controlled. Unless the selling price is the total of purchase price plus all the legitimate overhead plus a fair profit, the sale is made at a loss. Unless the purchase price is small enough to permit the addition of overhead and profit in a resulting selling price which in turn can meet competition, the competitor is likely to get all the sales. Unless overhead is included in the selling price there will be an empty cash drawer and a bunch of unpaid bills at the end of the day, week, month or year. Unless a fair profit is added to a reasonable cost and an honest overhead figure, the dealer will find that he has not collected his earned reward for serving his trade and that he is no better off than when he started. All these and many more vital inferences can be drawn from the merchandising equation.

Questions of purchase price and selling price can not be gone into in detail here and now. Neither can the question as to what is a fair profit on each radio part or a complete set be developed. The spot-light, rather, is on margin and especially that part of margin called overhead.

What Margin Is and Is Not

Margin is sometimes erroneously miscalled gross profits, but gross profits is a misleading term and one that is

fast falling into disrepute because it is confusing, ambiguous, and has been used often to cover a multitude of accounting sins and even bad and vicious practices. It has led to more self-deception on the part of business men as to the exact nature of the returns from their business than any other one cause. It is to blame for more business fatalities than shall ever be known. The very nature of profit is such that it is always net. A dollar of overhead cannot be at the same time also a dollar of profit. The term gross profits has attempted to imply that it can. So the better usage now growing up among business men is to say overhead when you mean overhead or the cost of doing business, to say profit when you mean exclusively that, and to say margin when you mean to include both. Thus dealer's margin refers to a figure which added to purchase price covers the overhead and a profit, thus reaching the selling price. Likewise the term margin of profit must be used, if used at all, with much care. In using it one may have in mind the overhead plus profit or merely profit itself.

With this better understanding of the term margin clearly in mind, let us now look more closely into that part of margin called overhead, or the cost of doing business.

What Overhead Covers

Overhead, strange as it may seem, is a sort of newly discovered element in the science of merchandising. It is difficult to conceive how anything, except in the most elementary kind of barter and trade, was ever sold without creating an overhead cost of some kind and measure. And yet centuries have gone by in which overhead has been a forgotten or neglected element of cost in business. Only recently have retailers, not to mention manufacturers and wholesalers, begun to understand overhead, to know what it is and how to include it in the selling price. And

to thousands of small retailers scattered over the land it is still a word of mystery and trouble. It has numbered its victims in all lines literally by the hundreds of thousands, and will continue to do so until standard or uniform cost systems adequately providing for overhead are developed for all lines of business and are adopted and maintained by all engaged therein. Nor must it be forgotten that all that has been said about the word overhead applies with even greater force to that troublesome factor in merchandising called "turnover."

What does overhead cover for the radio dealer? It covers probably all that it does for any other retail dealer and perhaps even more. Not every retail dealer carries goods which must be installed and serviced, as is the case with electrical goods and especially with radio. For the cost of installation and servicing must either be included in and considered a part of the purchase price or else it must be added into overhead.

As listed and provided for in the standard accounting system of the National Association of Electrical Contractors and Dealers (a system designed for the dealer who employs a bookkeeper) the overhead cost items are as follows: salaries, rentals, light, heat, power, depreciation, insurance, taxes, interest, telegraph, telephone, postage, freight and express and cartage, stationery, office and store supplies, advertising, store and warehouse stock-room upkeep, automobiles, traveling, entertainment, bad debts, association dues, and miscellaneous expenses. In general these are the expenses that go into overhead for practically all retailers. And as indicated above, for the radio and electrical dealer the cost of installation and of servicing must also be covered somewhere, if not in price then in overhead.

All sorts of definitions and classifications of these cost items have been attempted in the various retail lines.

Some of the classifications have been simple and some have been complicated and troublesome. Often the items as indicated above have been broken up into even finer divisions and all manner of combinations of the parts have been attempted. No effort will be made here to say just how the radio dealer should handle these charges on his books, just how he should define what each covers and just how he should group the charges. The important thing to keep in mind is to make sure the definition of each charge is clean cut, that all of the overhead charges are provided for on the books, and that the grouping (if any) is sound and workable.

Definitions of these charges, as set forth in the standard accounting system of the National Association of Electrical Contractors and Dealers, will help to make them clearer. The definitions are:

SALARIES. (1) *Officers and Department Heads.* Compensation of president, vice-president, secretary, treasurer, auditor, sales and branch managers. (2) *Clerks and Stenographers.* Amount paid for services of all clerks, stenographers, typists, and office boys. Does not include service of warehouse employees. (3) *Salesmen.* Amount paid for services of all regular and special salesmen, specialists and solicitors. (4) *Warehouse or Stockroom Employees.* Amounts paid for services of all warehouse employees including warehouse superintendent, shipping clerks, receiving clerks, watchman, packers, drivers, porters, elevator men and messengers.

RENTAL. Amounts paid as rental for all offices and warehouse space, also taxes and insurance paid on rented or leased property.

LIGHT, HEAT AND POWER. All expense, not a part of lease or rental charge, incurred in lighting or heating offices and in furnishing light, heat and power for warehouses.

DEPRECIATION. *Furniture and Appliances.* This account will be charged monthly with one-twelfth of the estimated annual depreciation on furniture and appliances in offices and store and warehouses, as credited to "Reserve for Depreciation of Furniture and Appliances" account.

Automobiles. This account will be charged monthly with one-twelfth of the estimated annual depreciation on automobiles, as credited to "Reserve for Depreciation of Automobiles" account.

Tools. This account will be charged monthly with one-twelfth of the estimated annual depreciation on tools as credited to the "Reserve for Depreciation on Tools" account.

Merchandise. This account will be charged monthly with one-twelfth of the estimated annual depreciation on merchandise as credited to the "Reserve for Depreciation on Merchandise" account.

INSURANCE. Premiums on insurance on merchandise or fixtures in warehouse and on office and store furniture and appliances accrued in monthly proportions, also all liability insurance outside of automobiles (automobile liability insurance to be charged to "Automobiles"). (Insurance paid on rented or leased property is chargeable to "Rental" account.)

TAXES. For personal property or other taxes, accrued in monthly proportions. (Taxes paid on rented or leased property are chargeable to "Rental" account.)

INTEREST. This account includes all charges for interest, whether for notes payable, trade acceptances payable, or open account.

TELEGRAPH AND TELEPHONE. For all telegraph and telephone charges including salary of switchboard operators.

POSTAGE. Cost of postage exclusive of parcel post

which is chargeable to "Freight, Express and Cartage" (unabsorbed) account.

FREIGHT, EXPRESS AND CARTAGE. All unabsorbed charges of this kind which can not be included as a part of the original cost of goods to be sold.

ADVERTISING. Expenses for all forms of advertising and also the cost of samples and exhibitions.

STORE AND WAREHOUSE STOCKROOM EXPENSE. Includes all payments for packing materials such as excelsior, twine, laths, burlap, wrapping paper, etc., consumed in operation of store, packing or boxing, also cost of repairing and renewing all shortlived or inexpensive tools together with freight and express charges thereon.

AUTOMOBILES. Cost of maintaining and operating motor vehicles, such as rent of garage, garaging and charging of automobiles, repair and renewals of equipment, gasoline and oils and other supplies, and fire and liability insurance on vehicles.

TRAVELING AND ENTERTAINING. Payments for transportation, hotel and other necessary expenses for all employees, also expenses incurred in the entertainment of customers.

BAD DEBTS. Allowances for all losses on notes and accounts receivable.

ASSOCIATION EXPENSES. Subscriptions and dues for membership in any association for business purposes.

MISCELLANEOUS. Includes all incidental and miscellaneous disbursements (except store and warehouse expense, and not otherwise provided for in this classification) such as contributions to civic organizations, charitable lists, donations, street car fares, advertising for help, directors' fees, state and municipal registration fees, minor emergency expenditures not otherwise classified, fees for mercantile agencies, etc., etc.

The foregoing list of overhead accounts shows not only

how essential are definitions of each of the accounts, but also how simply the related expenditures can be grouped. The radio dealer who plans to build a permanent and prosperous business will find it necessary to provide for all of these costs, plus any for installation and servicing which are now a part of the original price, whether he be an exclusive radio dealer or whether radio is merely a department of his regular electrical or other business.

Cutting Down the Overhead

Given clean-cut definitions and a simple or easy classification of overhead accounts honestly lived up to, then cutting down the actual expenditures for these items becomes a matter of vital importance. Whole books have been written on this subject. Here it is impossible to go into great detail as to ideas and methods and plans for cutting down overhead. Sometimes the overhead accounts are grouped into buying expenses, store expenses, delivery expenses, installation and servicing expenses, and management expenses; and methods and plans for cutting these charges are built around this classification. The scheme is not so important. It is the result that counts so heavily in the making or breaking of the dealer.

When it comes to reducing overhead, the trouble is, that so many dealers take so many of the items for granted assume that they are "fixed," and make little or no attempt to reduce them. More of these items can be cut down than is commonly supposed. The closer the dealer makes a study of his overhead, the more he compares notes with other progressive dealers either through association meetings or trade papers or in private conference, the greater he will discover are the chances for cutting down this cost and the more and varied are the ideas, plans, methods and policies by which it can be accomplished.

Constant observation and inspection of overhead costs will keep revealing the flagrant causes of waste, of loss, of excessive charges. Methods of cutting these down sometimes are almost self-evident. Yet often the little oversights both in handling overhead and in the management itself are what eat up the profits.

Little Oversights That Eat Up Profits

To-day economy in the conduct of business is all important. The days of reckless spending are over and many business men are not only taking inventory of their stocks but also of their methods of doing business. Expense items are being watched more closely than ever before, yet the average electrical dealer would find it mighty hard to give an accurate account of his various store expenditures.

The big fixed expenses are known with reasonable accuracy. The dealer takes these definitely known expenses as a basis of figuring his cost of doing business, but often overlooks many important and expensive little items and allows these small items to eat away a great deal of his profit.

Indifference to these facts or failure to take time minutely to examine every angle of a business is responsible for many business failures. It is therefore the duty of every electrical dealer to get at the very root of his business, to know all his expenses in detail, and then make a systematic effort to stop every leak which is robbing him of his profits.

The following are ten frequently overlooked hidden losses—ten common oversights. By carefully considering these, the dealer will be able to see whether or not he is overlooking some simple, plain case of covered-up and unrecorded loss:

1. Not figuring your salary as an expense. Whether

you take the money from the till as you need it for personal use, or pay yourself a fixed sum per week or month, your salary is most certainly a part of the general operating expense. Taking money as you need it makes the listing of it as an expense impossible. Pay yourself a fixed amount at regular intervals and enter it on your records. Almost as bad an oversight is the taking home of goods without charging them to yourself on the books. Always charge your personal account with goods you take from stock.

2. Goods buried on shelves, and failure of stock record to show this. Goods allowed to lie on your shelves months at a time without a systematic effort to dispose of them clearly makes this a loss, as ultimately they will have to be sold at reduced prices in order to get rid of them. Make your stock record show all goods on your shelves. Figure what it costs you to have these goods lie idle. Consider the interest on your investment and the value of the space they occupy. Also consider how much more profitable it is to close out shelf clingers and invest the money in goods that are readily salable.

3. Disregarding depreciation on goods and equipment. There is always more or less depreciation—spoilage, breakage, etc.—things which decrease their value. Your equipment is likewise affected by depreciation, and while it may be hard accurately to trace this expense, it should be taken into consideration.

4. Failure to take discounts. When you fail to discount a bill you add that much expense to your business. The discount represents an amount you can save. Passing discounts may be necessary, but it takes away a part of your profit. Therefore it is best to make it a strict rule to discount every bill possible, even if necessary to borrow the money.

5. Unsystematic bookkeeping. Carelessly kept books

are a source of expense because they often serve to hide other expenses and keep your business from being efficiently managed.

6. Unsystematic deliveries, where the business requires deliveries. Deliveries which are not planned systematically waste the time of your help and often result in dissatisfaction on the part of your customers. By studying your delivery system carefully, you can undoubtedly find the most efficient plan. You must not only figure deliveries as an expense, but also the cost of unsystematic deliveries.

7. Disregarding losses sustained by offering "markdowns" or specials. "Markdowns" and special offers to attract trade into your store, though productive of more business, are real expenses because their selling price may often equal or be less than cost price. These are often necessary, but they should be recorded with other expenses.

8. Bad accounts not figured. Bills against customers from whom it is hard to collect, or which are never paid, are an expense often entirely overlooked. By giving close attention to all book accounts and credits this expense can be reduced to a minimum.

9. Lack of understanding or enthusiasm on the part of your sales people. You always compute the wages of your sales force among your expenses, yet you may overlook the fact that your salespeople sometimes do not produce results in proportion to their salaries. Lack of enthusiasm, listless selling, ignorance of good merchandising on the part of your sales force are real expenses.

10. Loss of customers. Customers have a cash value in proportion to the amount of trade they give you. If you lose a customer by offending him or her through indifferent service, this is an expense to you and should be figured as such.

These ten items constitute ten expenses, or causes for

expenses, which are quite often neglected or overlooked. This list of expenses has been itemized, not so much for the purpose of the individual items, as for the purpose of bringing to your mind a hundred and one other items of expense which are ordinarily not mentioned in articles of this kind.

For instance, very few dealers have the proper conception of a show window, which can be either an expense or a profit. If the window is well filled with seasonable electrical appliances, then it becomes an asset and a profit producer, for it induces people to come into the store to make purchases. But if the window is allowed to stand idle, or if it simply contains a lot of boxes or other unattractive merchandise, then it really becomes an expense. First, the show window is worth a certain rental price. If it is not properly used, then the rental is simply an added expense to the business. Second, neglect to make use of the show window has a tendency to reduce your sales and therefore the lost sales mean lost profits, and lost profits can be looked upon as expenses, even though this not correct according to present-day accounting principles.

In the same way, a store interior can be either a profit or an expense, or, perhaps more correctly, an asset or a liability. Many people object to shopping in stores that do not have an attractive appearance. On the other hand, a store with attractively displayed merchandise attracts trade, and is the best advertisement.

Take your repair shop, for instance. If your tools are not kept in place, much time is lost in looking for them, and the time of your workmen is a real expense if it is wasted in having to look for tools. Even the floor of the workroom can be an expense if it is constantly littered up and reduces the efficiency of your help.

Eternal Vigilance Necessary

Eternal vigilance is certainly the price of retailing success, and it frequently takes a microscope to find out where you are unconsciously throwing away money.

It is not always easy to find these hidden items of expense, but they can be found. Often expense items of a few cents or a few dollars seem so insignificant that they receive little or no attention, but if these few cents or dollars are carelessly spent, often enough the total in a year's time means a great deal in the profit and loss showing on your yearly statement.

A very good way of eliminating all unnecessary expenses is to write down in a book every item of unnecessary expense, as well as the larger items of necessary expense. At the start this may seem an unnecessary waste of time, but if this plan is followed for a month, and if a systematic effort is made to discover all items of expense, you will find that by exercising greater care and by training help to aid you in eliminating all unnecessary items you will soon save enough to make the effort worth while. Nothing is ever gained without an effort. Retailing to-day is becoming more and more of a science, and the electrical dealer who wants to make his business a real success must take care of the pennies so that the dollars will take care of themselves.

How to Figure Profits

It is now an established practice with progressive merchants to state the cost of doing business as a percentage of sales. But in determining what margin, or "mark-up," to add to the invoice price of goods in order to arrive at the selling price it is still the practice to speak of it as a percentage of the purchase price, or cost. If one has sales of \$75,000 and his cost of doing business is \$25,000

he speaks of his overhead as $33\frac{1}{3}$ per cent, a percentage based on sales. If he buys a bill of goods for \$2,000 he decides that he will add a profit of 50 per cent, a percentage based on cost, and thus obtain \$3,000 for the goods.

These divergent customs in the use of percentages have caused confusion and loss for many dealers in all retail lines, that is, for dealers who are not familiar by long practice with sound accounting methods and principles. Probably all retailers, and even wholesalers and manufacturers, have fallen into this swamp of bad accounting at one time or another, and some have escaped and some have not.

The records of credit men, of mercantile agencies, and of the bankruptcy courts are full of instances like the following: A dealer has sales of \$75,000 and his cost of doing business is \$25,000, or $33\frac{1}{3}$ per cent, and he assumes that a markup of 50 per cent on cost would insure a sound profit. But this is a confusion of percentages derived from different bases. And many a dealer has fallen into this error, to his loss.

H. Victor Wright, director of the Research Bureau of the American National Retail Jewelers' Association, writing in "Business," has ably set forth this point. He says:

"Among the advantages to be derived from figuring percentages on selling prices, rather than on cost, we would include the following: (1) dealing with smaller percentages of profit; (2) eliminating much guesswork in establishing of retail prices, through a better acquaintance with the cost of doing business which this revised method would encourage; and (3) a quicker realization of the net profit involved. Probably no other factor is so much to blame for the surprises and disappointments occasioned by the end of the year showing as the incorrect

	33 $\frac{1}{3}$ %	37 $\frac{1}{2}$ %	41%	44 $\frac{1}{2}$ %
Cost	Equal to 50% added to Cost	Equal to 60% added to Cost	Equal to 70% added to Cost	Equal to 80% added to Cost
\$2.75	\$4.25	\$4.50	\$4.75	\$5.00
3.00	4.50	5.00	5.25	5.50
3.30	5.00	5.50	5.75	6.00
3.60	5.50	6.00	6.25	6.50
3.90	6.00	6.50	6.75	7.00
4.25	6.50	7.00	7.25	7.50
4.50	7.00	7.50	7.50	8.00
4.75	7.50	8.00	8.00	8.50
5.10	8.00	8.50	8.75	9.00
5.40	8.50	9.00	9.25	9.50
5.75	9.00	9.50	9.75	10.00
6.00	9.00	10.00	10.25	10.50
6.30	9.50	10.50	10.75	11.25
6.60	10.00	10.50	11.25	11.75
6.90	10.50	11.00	11.75	12.25
7.20	11.00	11.50	12.25	13.00
7.50	11.50	12.00	12.75	13.50
7.75	12.00	12.50	13.25	14.00
8.10	12.50	13.00	13.75	14.50
8.40	13.00	13.50	14.25	15.00
8.75	13.50	14.00	14.75	15.75
9.00	14.00	15.00	15.25	16.25
9.60	14.50	16.00	16.25	17.25
10.25	15.50	16.50	17.50	18.50

A few figures from a schedule published by the Research Bureau of the American National Retail Jewelers' Association. In the column at the left find the figure that represents the cost of the article you are about to mark up. To learn the necessary percentage of gross profit, based on sales, add the percentage of cost of doing business and percentage of net profit desired. Follow the horizontal line designated by the cost figure to the column headed by the percentage of gross profit desired, and find the selling price.

- 1/3 of selling price is equal to 1/2 of cost
- 1/4 of selling price is equal to 1/3 of cost
- 1/5 of selling price is equal to 1/4 of cost
- 1/6 of selling price is equal to 1/5 of cost
- 1/7 of selling price is equal to 1/6 of cost
- 1/8 of selling price is equal to 1/7 of cost
- 1/9 of selling price is equal to 1/8 of cost
- 1/10 of selling price is equal to 1/9 of cost
- 2/5 of selling price is equal to 2/3 of cost
- 2/7 of selling price is equal to 2/5 of cost
- 2/9 of selling price is equal to 2/7 of cost
- 3/8 of selling price is equal to 3/5 of cost
- 4/9 of selling price is equal to 4/5 of cost

This table indicates the relation between percentages of selling price and of cost, and the necessity for avoiding a confusion of percentage bases, giving part of the selling price in terms of an equivalent part in cost.

- 5 % on cost is $4\frac{1}{4}\%$ on selling price
- $7\frac{1}{2}\%$ on cost is 7 % on selling price
- 10 % on cost is 9 % on selling price
- $12\frac{1}{2}\%$ on cost is $11\frac{1}{8}\%$ on selling price
- 15 % on cost is 13 % on selling price
- $16\frac{2}{3}\%$ on cost is $14\frac{1}{4}\%$ on selling price
- 20 % on cost is $16\frac{2}{3}\%$ on selling price
- 25 % on cost is 20 % on selling price
- 30 % on cost is 23 % on selling price
- $33\frac{1}{3}\%$ on cost is 25 % on selling price
- 40 % on cost is $28\frac{1}{2}\%$ on selling price
- 45 % on cost is 31 % on selling price
- 50 % on cost is $33\frac{1}{3}\%$ on selling price
- 55 % on cost is $35\frac{1}{2}\%$ on selling price
- 60 % on cost is $37\frac{1}{2}\%$ on selling price
- 65 % on cost is $39\frac{1}{2}\%$ on selling price
- $66\frac{2}{3}\%$ on cost is 40 % on selling price
- 70 % on cost is 41 % on selling price
- 75 % on cost is $42\frac{3}{4}\%$ on selling price
- 80 % on cost is $44\frac{1}{2}\%$ on selling price
- 90 % on cost is $47\frac{1}{3}\%$ on selling price
- 100 % on cost is 50 % on selling price

This table also indicates the relation between percentages of selling price and of cost, and the necessity for avoiding a confusion of percentage bases. Here a part of the cost is given in terms of an equivalent part in selling price.

method of pricing merchandise, and this incorrect pricing may be attributed chiefly to error in computing profit percentages. . . . Do not get your percentages mixed! That is the gist of the whole matter of figuring profits. The percentage of profit and the percentage of cost of doing business should be figured on the same basis on sales."

Radio dealers will do well in this connection to familiarize themselves with the percentage tables printed in this chapter. They will help to safeguard many a dollar of profit which might otherwise be a dollar of loss.

Importance of Turnover

Correct methods of figuring overhead and profit and getting both into the selling price are of first importance. Then comes the big factor of turnover. Overhead and profit per sale are both fairly well understood by the trade, but among radio and electrical dealers there is still a widespread lack of knowledge of turnover, both as to what it is and as to how it is figured.

Wheeler Sammons, in his book "Keeping Up with Rising Costs," says, "Turnover is the measure of the work each dollar in your business does for you. It is at once the way to profits and the check on your results. . . . Turn your capital oftener, then, is the answer heads of concerns, large and small, are making to costs. . . Standards for judging just how hard other men are making their capital work and the methods by which they have made more turnovers, drawn from the capital investment figures and the stock and sales reports . . . are as important as any of the facts the merchant should have."

These words emphasize the nature and importance of turnover in modern business. Such standards have not yet been set in the retail radio and electrical trade. If

such standards were available a radio dealer would be able to decide whether his rate of turnover is above or below that obtained in other radio stores, whether he is too low.

How to Figure Turnover and Annual Profit

As to the method of figuring turnover, it is sufficient to say at present that the rate of turnover is figured by dividing the cost of sales for any period by the cost of the average stock on hand during the period. As Mr. Sammons goes on to say, "Once he has secured turnover and cost figures for his store, it is not difficult for the retailer to demonstrate the added profit which an extra turn will bring."

It is just this demonstration which shows how annual profit is derived from overhead and turnover. In his book Mr. Sammons has worked out illustrative figures on this point.

W. L. Goodwin, to bring in an authority well known to the electrical trade, has worked out figures on the same point.

Both Mr. Sammons and Mr. Goodwin have used this formula: Gross profit (which might better be called margin) minus overhead, divided by the merchandise account (stock) at cost plus accounts receivable at cost both expressed as equal to so many average days' sales, multiplied by the number of sales days in the period studied, equals the percentage of profit on the capital invested.

Expressed in mathematical arrangement this formula is:

$$\frac{\text{Gross profit} - \text{Overhead}}{\text{Merchandise account} + \text{Accounts receivable}} \times \frac{\text{Number of sales days in period}}{\text{sales days in period}} = \frac{\text{Percentage of profit on capital for the period}}{\text{profit on capital for the period}}$$

Thus if margin ("gross profit") of 30 per cent minus overhead at 27 per cent divided by the sum of 30, repre-

senting thirty days' sales of a stock of \$30,000 at \$1,000 per day at cost plus 30, representing accounts receivable to the amount of \$30,000 also as equal to thirty days' sales at cost is multiplied by 360, representing \$360,000 worth of sales, at cost, per year, or \$1,000 per day, the profit for the period equals 18 per cent.

Putting these figures of Mr. Goodwin's into his formula, we have:

$$\frac{30-27}{30+30} \times 360 = 18 \text{ per cent.}$$

If the stock is increased to a sixty days' supply and the accounts receivable is increased the same amount, says Mr. Goodwin, the turnover lessens and the profit at once falls, as:

$$\frac{30-27}{60+60} \times 360 = 9 \text{ per cent.}$$

Increasing the stock carried to ninety days' supply and accounts receivable by the same amount, the turnover continues to shrink, and the profit continues to fall, as:

$$\frac{30-27}{90+90} \times 360 = 6 \text{ per cent.}$$

And increasing the same elements to an even greater extent, we get:

$$\frac{30-27}{120+120} \times 360 = 4.5 \text{ per cent.}$$

Of course, it is not necessary that in each case the accounts receivable should increase in the same direct proportion as the stock, but in actual business such is what frequently happens.

Now, going back to the first equation, if the percentage of margin is increased but overhead not changed, we have:

$$\frac{33-27}{30+30} \times 360 = 36 \text{ per cent.}$$

But with even the better margin of 33 per cent, if the stock carried and accounts receivable are increased and the turnover likewise lessened, the profit on the capital for the year continues to fall, as:

$$\frac{33-27}{45+30} \times 360 = 28.8 \text{ per cent.}$$

$$\frac{33-27}{45+45} \times 360 = 23.7 \text{ per cent.}$$

$$\frac{33-27}{60+45} \times 360 = 20.5 \text{ per cent.}$$

$$\frac{33-27}{60+60} \times 360 = 18 \text{ per cent.}$$

With the margin remaining at 33 per cent, but by lowering the overhead, in the first equation with the low stock plus low accounts receivable, we have a great increase in the percentage of profit on the invested capital for the year, as:

$$\frac{33-25}{30+30} \times 360 = 49 \text{ per cent.}$$

But again, if turnover is lessened even with this increased margin and a smaller overhead, the profit for the year falls, as:

$$\frac{33-25}{60+45} \times 360 = 27 \text{ per cent.}$$

Hence, it is evident that overhead plays only a part in deciding the annual profit, and that turnover plays a far larger part. Hence, it would seem that if the dealer buys closer and carries a smaller stock the increased turnover brings the net profit higher.

Or to state it generally, the annual profit falls when larger stocks accumulate, when customers neglect to pay, when expenses increase and when margins shorten. Like-

wise, the annual profit climbs when margin is lengthened, when total accounts receivable are cut down, when turnover is increased and when expenses are cut.

These relationships are the elements in the problems which must be studied by retailers, jobbers and manufacturers in the setting of margins for the radio and the electrical field. It is up to the retailers in their effort to obtain larger margins to bring forward not only figures showing what overhead amounts to but also figures on stock carried, on accounts receivable, on turnover and on profit on capital for the year. All are involved in the setting of fair margins.

The rate of turnover can also be figured on sales. In the preceding examples showing how turnover influences annual profits, the turnover was figured on costs. Either method when correctly followed will show the rate of turnover.

Turnover is a much misunderstood term in merchandising. There are innumerable cases in which a merchant carrying a stock of \$5,000 and doing an annual business of \$50,000 deludes himself with the idea that he has turned his stock ten times. This computation is incorrect for in this case the merchant has figured his "turnover" on sales whereas his stock is based on cost.

One should make his computation with the cost of an average stock and the cost of gross sales, or the value of the stock carried figured at sales price together with total sales. Assuming that in the case above mentioned the merchant has realized a net profit of $33\frac{1}{3}$ per cent, he has turned his stock 6.66 times and not ten times as he believed. The following two illustrations will be readily understood.

BASED ON COST:

Cost of merchandise carried.....	\$5,000.00
Cost of sales (\$50,000 less $33\frac{1}{3}\%$ profit).....	33,333.34
Rate of Turnover.....	6.6 times

BASED ON SALES PRICE:

Sales price of \$5,000 merchandise carried	\$7,500
Total sales	50,000
Rate of Turnover	6.66 times

Had the stock been turned ten times in the above case as claimed by the merchant, his total sales would necessarily have been \$75,000. The wide discrepancy between the turnover when correctly figured as compared with the incorrect method outlined above should keep merchants on the alert as to the correctness of their methods of figuring items such as these.

How Profits Grow Larger with Faster Turnover

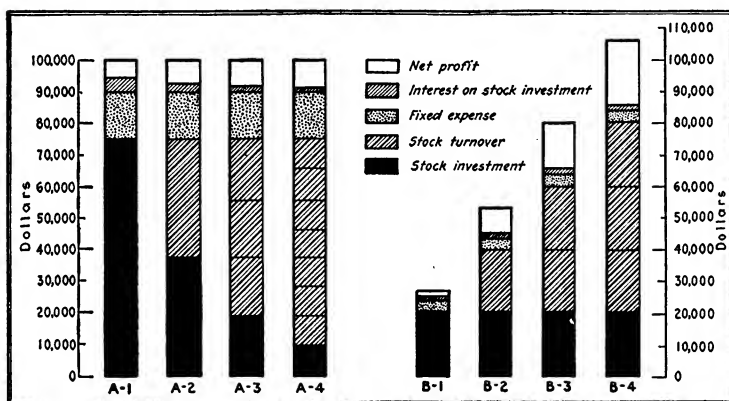
Just how profits increase with more frequent turnover is also clearly shown in an illustration in "Merchandise Turnover and Stock Control," a pamphlet recently issued by the Domestic Distribution Department of the Chamber of Commerce of the United States. The illustration is here reproduced. Every radio dealer would do well to get and study a copy of this pamphlet.

After describing the wastes due to slow turnover and carelessly handled expenses, the writer lays heavy emphasis on the value of stock control records which will give a complete picture of the business situation as it changes from day to day and which will supply the knowledge on which immediate additional purchases can be made, or for deciding on any change in the volume and kind of stock. These records make possible the drawing down of accurate figures on turnover and profit.

In the illustration are shown two sets of diagrams, Series A-1, A-2, A-3, and A-4, also Series B-1, B-2, B-3, and B-4. Each of the columns in Series A represents sales amounting to \$100,000, but the number of turnovers increases from 1 in A-1 to 8 in A-4, and it will be observed that with each increase in turnover the stock investment

as well as the interest are cut in two while the amount of profit increases. Series B shows uniform stock investments and cost of interest throughout while the amount of profit increases. Differently expressed, Series A proves the decreased investment needed to perform a given amount of business, while Series B proves the increased business and profits which accrue to the same investment upon a multiplied turnover.

The vital conclusion of the whole matter is, that finan-



Here are two ways of illustrating how profits are due to more frequent turnovers. Series A is based on a given period and shows how the investment and interest grow less while the profit increases. Series B is based on a given investment so that the interest also remains the same although the profit increases.

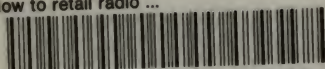
cial success in retailing of radio, just as in other lines of retailing, lies very largely in the dealer's ability to work in accord with the laws of the merchandising equation, to know and to control and to reduce his overhead, to be able to make a correct margin when necessary, to know how to set a correct selling price, to know how to figure profits, to know how to figure turnover, to know how to balance all the elements that govern his annual profit, and

then to know how to increase his profits by speeding up his turnover. If with this knowledge he combines the ability to put his knowledge into action, then he is well on the road to definite and substantial success in the retailing of that modern magic called radio.

HF5430.R13 H8 c.1

STA

How to retail radio ...



3 5128 00119 1624

U of Michigan. Kresge Bus Admin Library